

FORM 18-K

For Foreign Governments and Political Subdivisions Thereof

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C.

ANNUAL REPORT

of

PROVINCE OF SASKATCHEWAN

CANADA

(Name of Registrant)

Date of end of last fiscal year: March 31, 2001

SECURITIES REGISTERED*

(As of close of fiscal year)

Title of issue	Amounts as to which registration is effective	Names of exchanges on which registered
N/A	N/A	N/A

*The Registrant is filing this annual report on a voluntary basis.

Names and addresses of persons authorized to receive notices
and communications from the Securities and Exchange Commission:

MICHAEL PHILLIPS
Canadian Consul General
Canadian Consulate
1251 Avenue of the Americas
New York, N.Y. 10020

or

BRIAN SCHUMACHER
Canadian Consulate
1251 Avenue of the Americas
New York, N.Y. 10020

or

DAVID RUBINOFF
Canadian Consulate
1251 Avenue of the Americas
New York, N.Y. 10020

Copies to:

RON STYLES
Deputy Minister of Finance
Department of Finance
Province of Saskatchewan
2350 Albert Street
Regina, Saskatchewan
Canada S4P 4A6

JOHN W. WHITE
Cravath, Swaine & Moore
Worldwide Plaza
825 Eighth Avenue
New York, N.Y. 10019

The information set forth below is to be furnished:

1. In respect of each issue of securities of the registrant registered, a brief statement as to:

- (a) The general effect of any material modifications, not previously reported, of the rights of the holders of such securities.

None.

- (b) The title and the material provisions of any law, decree or administrative action, not previously reported, by reason of which the security is not being serviced in accordance with the terms thereof.

None.

- (c) The circumstances of any other failure, not previously reported, to pay principal, interest, or any sinking fund or amortization instalment.

None.

2. A statement as of the close of the last fiscal year of the registrant giving the total outstanding of:

- (a) Internal funded debt of the registrant. (Total to be stated in the currency of the registrant. If any internal funded debt is payable in a foreign currency, it should not be included under this paragraph (a), but under paragraph (b) of this item.)

Reference is made to page 52 of Exhibit d hereto.

- (b) External funded debt of the registrant. (Totals to be stated in the respective currencies in which payable. No statement need be furnished as to inter-governmental debt.)

Reference is made to page 52 of Exhibit d hereto. The only external funded debt of the registrant are Public Issue Debentures.

3. A statement giving the title, date of issue, date of maturity, interest rate and amount outstanding, together with the currency or currencies in which payable, of each issue of funded debt of the registrant outstanding as of the close of the last fiscal year of the registrant.

Reference is made to pages 49-52 of Exhibit d hereto.

4. (a) As to each issue of securities of the registrant which is registered, there should be furnished a break-down of the total amount outstanding, as shown in Item 3, into the following:

- (1) Total amount held by or for the account of the registrant.

Not applicable, because no securities of the registrant are registered.

- (2) Total estimated amount held by nationals of the registrant (or if registrant is other than a national government by the nationals of its national government); this estimate need be furnished only if it is practicable to do so.

Not applicable, because no securities of the registrant are registered.

- (3) Total amount otherwise outstanding.

Not applicable, because no securities of the registrant are registered.

- (b) If a substantial amount is set forth in answer to paragraph (a)(1) above, describe briefly the method employed by the registrant to reacquire such securities.

Not applicable.

5. *A statement as of the close of the last fiscal year of the registrant giving the estimated total of:*

(a) *Internal floating indebtedness of the registrant. (Total to be stated in the currency of the registrant.)*

Reference is made to page 27 of Exhibit d hereto.

(b) *External floating indebtedness of the registrant. (Total to be stated in the respective currencies in which payable.)*

Reference is made to page 27 of Exhibit d hereto.

6. *Statements of the receipts, classified by source, and of the expenditures, classified by purpose, of the registrant for each fiscal year of the registrant ended since the close of the latest fiscal year for which such information was previously reported. These statements should be so itemized as to be reasonably informative and should cover both ordinary and extraordinary receipts and expenditures; there should be indicated separately, if practicable, the amount of receipts pledged or otherwise specifically allocated to any issue registered, indicating the issue.*

Reference is made to pages 36 and 37 of Exhibit d hereto.

7. (a) *If any foreign exchange control, not previously reported, has been established by the registrant (or if the registrant is other than a national government, by its national government), briefly describe such foreign exchange control.*

None.

(b) *If any foreign exchange control previously reported has been discontinued or materially modified, briefly describe the effect of any such action, not previously reported.*

Not applicable.

* *This annual report comprises:*

(1) *Pages numbered 1 to 4 consecutively.*

(2) *The following exhibits:*

(a) none;

(b) none;

(c) none;

(d) Province of Saskatchewan Current Description;

(e) Volume 1 of the Public Accounts for the registrant for the year ended March 31, 2001;

(f) Crown Investments Corporation of Saskatchewan Annual Report 2000;

(g) consent of the Provincial Auditor;

(h) consent of Deloitte & Touche LLP; and,

(i) Mid-Year Financial Report and Budget Update.

This annual report is filed subject to the Instructions for Form 18-K for Foreign Governments and Political Subdivisions Thereof.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized, at Regina, Saskatchewan, on the 28th day of December, 2001.

PROVINCE OF SASKATCHEWAN

By /s/ Rae Haverstock
Name: Rae Haverstock
Title: Executive Director
Capital Markets Branch
Treasury and Debt Management Division
Department of Finance





Province of Saskatchewan

Current Description

December 2001

SASKATCHEWAN



LEGEND

- Major Railways
- Major Highways
- Northern Highways
- ⚡ Electrical Generating Stations
- Precambrian Shield
- ▨ Commercial Forest area
- Agricultural area
- Athabasca Basin



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In this document, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars. On December 3, 2001, the noon buying rate in New York City for Canadian dollars ("C\$"), as reported by the Federal Reserve Bank of New York, was \$1.5762 = 1.00 United States dollar ("U.S. \$").

Tonnes as used in this document refers to metric tons. One tonne is equivalent to 1.102311 short tons.

In this document, the financial transactions of the general fund of the Government are recorded under the General Revenue Fund. (Refer to page 17 for further information.)

The Government uses accrual accounting. The accrual accounting method recognizes financial transactions at the time they occur, regardless of whether any cash is received or paid. This method of accounting provides a complete picture of the total financial obligations resulting from decisions made during the year. The General Revenue Fund follows the accrual method except for pension costs and receipts from the federal government for corporate and personal income taxes. Expenditures include the cost of tangible capital assets and inventories received during the year.

The Canadian Dollar

Canada maintains a floating exchange rate for the Canadian dollar to permit the rate to be determined by market forces without intervention except as required to maintain orderly conditions.

Recent high and low exchange rates for the Canadian dollar in terms of United States cents are as follows:

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001*</u>
High.....	75.26	74.93	71.23	69.35	69.55	66.88
Low.....	72.12	69.45	63.11	64.62	64.28	63.10

Source: Bank of Canada.

* First ten months only.

PROVINCE OF SASKATCHEWAN

Summary Economic and Financial Statistics

The following information is qualified in its entirety by the more detailed information contained in this document. See also "General Revenue Fund Supplementary Financial Information - Government of the Province of Saskatchewan, General Revenue Fund Statement of Financial Assets, Liabilities and Accumulated Deficit" commencing on page 34 for a discussion of the Provincial Auditor's report accompanying the General Revenue Fund's financial statements as at March 31, 2001, and for the year then ended.

	Calendar Year Ended December 31					Compound Annual Growth Rate
	1996	1997	1998	1999	2000	1996-2000
	(Millions)					
Economy						
Gross Domestic Product at Current Market Prices	\$ 28,906	\$ 29,115	\$ 28,750	\$ 29,908	32,918	3.3 %
Farm Cash Receipts	\$ 5,757	\$ 5,993	\$ 5,596	\$ 5,488	5,782	0.1
Mineral Sales	\$ 5,599	\$ 5,730	\$ 4,806	\$ 6,432	8,945	12.4
Manufacturing Shipments	\$ 5,150	\$ 5,964	\$ 6,080	\$ 6,576	7,490	9.8
Exports	\$ 17,847	\$ 19,527	\$ 18,598	\$ 19,880	23,852	7.5
Personal Income	\$ 21,160	\$ 20,781	\$ 21,590	\$ 22,314	23,295	2.4
Population at July 1 (Thousands)	1,019	1,022	1,025	1,025	1,022	0.1
Unemployment Rate	6.6%	5.9%	5.7%	6.1%	5.2%	N/A
Change in Consumer Price Index ¹	1.9%	1.3%	1.4%	1.7%	2.6%	N/A

¹ 1992 = 100

N/A = not applicable

	Fiscal Year Ended March 31					Estimate
	1997	1998	1999	2000	2001	2002
	(Millions)					
Government Finances - General Revenue Fund						
Budgetary surplus (deficit) ¹	\$ 407	\$ 35	\$ 26	\$ 83	\$ 58	\$ 3
Add (deduct) non-cash items						
Amortization of foreign exchange gains and losses	(6)	3	9	6	14	15
Loss (gain) on loans and investments	1	1	2	1	(1)	3
Net change in non-cash operating activities	13	(8)	2	(223)	(102)	1
Earnings retained in sinking funds	(15)	(24)	(27)	(23)	(36)	(37)
Investing Activities						
Cash provided by (used for) investing activities	538	383	506	87	125	(59)
Cash Provided (Required)	\$ 938	\$ 390	\$ 520	\$ (69)	\$ 58	\$ (74)

¹ For information concerning the adverse effect on the reported budgetary surplus (deficit) of certain adjustments that are required in the opinion of the Provincial Auditor, see Notes 1-6 to the Government of the Province of Saskatchewan, General Revenue Fund Statement of Financial Assets, Liabilities and Accumulated Deficit for the five years ended March 31, 2001, under "General Revenue Fund Supplementary Financial Information," commencing on page 34.

	Fiscal Year Ended March 31				
	1997	1998	1999	2000	2001
	(Millions)				
Debt - General Revenue Fund					
Gross Debt	\$ 13,056	\$ 12,629	\$ 12,108	\$ 11,868	\$ 11,761
Less: Equity in Sinking Funds	(770)	(1,075)	(1,026)	(997)	(877)
Guaranteed Debt	577	496	427	349	312
Total General Revenue Fund Debt	<u>\$ 12,863</u>	<u>\$ 12,050</u>	<u>\$ 11,509</u>	<u>\$ 11,220</u>	<u>\$ 11,196</u>

In this document statistics for the economy of the Province are set forth on a calendar year basis at current market prices, except as otherwise indicated. Economic statistics for recent years frequently are preliminary estimates, which are subject to adjustment. Financial statistics and information for the Government's General Revenue Fund are set forth on a fiscal year basis of April 1 to March 31 of the following year, unless otherwise noted. Financial statistics and information for provincial Crown corporations are set forth on a fiscal year basis of January 1 to December 31 of the same year, unless otherwise noted. In this document, compound annual growth rates assume the first year as the base and are computed by distributing the aggregate amounts of growth during the period.

PROVINCE OF SASKATCHEWAN

Introduction

The Province of Saskatchewan ("Saskatchewan" or the "Province") was established as a province of Canada in 1905. Saskatchewan is centrally located in Western Canada and is bordered by the provinces of Manitoba to the east and Alberta to the west. The Province shares its 650 kilometre southern border with the American states of North Dakota and Montana and its 450 kilometre northern border with the Northwest Territories of Canada. With a 1,250 kilometre distance from north to south, Saskatchewan covers an area of 652,330 square kilometres.

The sparsely populated northern third of the Province is part of Canada's Precambrian Shield and consists of forests, rivers and thousands of fresh water lakes. A sizeable commercial forest region is located across the entire central part of Saskatchewan. The southern half of the Province is part of the great continental plain of North America, consisting of a mixed agricultural and parkland area merging southward into open plains, a grain-growing region where the majority of the Province's population resides. About one-half of all of Canada's cultivated farm land is located in Saskatchewan.

The population of Saskatchewan was approximately 1,015,783 on July 1, 2001, compared with approximately 1,021,992 on July 1, 2000, and 1,002,668 on July 1, 1991. The Province's two largest urban areas are the cities of Regina, the capital of Saskatchewan, with a population of approximately 198,125 on July 1, 2001, and Saskatoon, with a population of approximately 230,517 as of the same date.

The climate of Saskatchewan is generally dry with temperatures varying markedly between very distinct seasons. The following table sets forth statistics on Saskatchewan's population, area and climate.

Saskatchewan Statistics

Population

1,015,783 (July 1, 2001)

Major Urban Centres

Regina

- Capital of Saskatchewan
- 198,125 (July 1, 2001)

Saskatoon

- Centre for Saskatchewan's resource-based and advanced technology industries
- 230,517 (July 1, 2001)

Population Density

1 person per 0.64 square kilometre (0.25 per square mile)

Mean Temperatures Range (Regina)

January -11 to -22 degrees Celsius
July 26 to 32 degrees Celsius

Mean Precipitation (Regina)

January 15 millimetres
July 59 millimetres
Year 364 millimetres

Area

Land:

- 570,700 square kilometres (220,350 square miles)

Fresh Water:

- 81,630 square kilometres (31,520 square miles)

Total:

- 652,330 square kilometres (251,870 square miles)

Farm Land:

- 268,655 square kilometres (103,730 square miles)

Cultivated Farm Land:

- 202,470 square kilometres (78,170 square miles)

Commercial Forests:

- 126,300 square kilometres (48,760 square miles)

Sources: Saskatchewan Bureau of Statistics, Statistics Canada.

Constitutional Framework of Canada

Canada consists of a federation of ten provinces with a constitutional division of powers between the federal and provincial governments. Canada was established by the *Constitution Act, 1867*, an Act of the Parliament of the United Kingdom, and by later enactments including the *Constitution Act, 1982*, which transferred jurisdiction over the Constitution of Canada (the "Constitution") from the United Kingdom to Canada.

Various constitutional issues have been under discussion in Canada for a number of years. On August 20, 1998, in response to a reference from the Federal government, the Supreme Court of Canada ruled that under the Constitution of Canada and international law, Quebec may not secede unilaterally from Canada, but that if the people of Quebec voted to secede by a clear majority vote on a clear question, the other provinces and the Federal Government would be obliged to enter negotiations with Quebec with respect to secession, such negotiations to be guided by constitutional principles, including federalism, democracy, constitutionalism and the rule of law, and the protection of minorities.

Under the Constitution, each provincial Legislature has exclusive authority to borrow money on the sole credit of that province and the authority to raise revenue for provincial purposes through direct taxation within its territorial limits. Legislatures can also raise revenue through taxation in respect of non-renewable natural resources, forestry resources and sites and facilities for electricity production and generation. Each province owns minerals and other resources on its provincial Crown lands and may own sub-surface resources on its other lands. Each province has the right to levy royalties on all lands and minerals which it owns. Each province has the legislative authority to regulate the exploration for and development, conservation and management of non-renewable natural resources, forestry resources and electricity generation. Each province also has legislative authority in the areas of education, health, social services, property and civil rights, natural resources, municipal institutions and generally all matters of a purely local or private nature.

The Parliament of Canada is empowered to borrow money and to raise revenue by any mode or system of taxation. Parliament has legislative authority over, among other things, the federal public debt and federal property, the regulation of trade and commerce, currency and coinage, banks and banking, bankruptcy and insolvency, navigation and shipping, foreign affairs, defence, postal service and unemployment insurance. It also has authority over matters not assigned to the provincial legislatures.

Provincial Government

The executive power in the Province of Saskatchewan is vested in the Lieutenant Governor acting upon the advice of the Executive Council, which is responsible to the Legislative Assembly. The Lieutenant Governor is appointed by the Governor General of Canada in Council and the Governor General in turn is appointed by a commission under the Great Seal of Canada. The Executive Council, which includes the Premier and the Ministers of Departments of the Provincial Government, is appointed by the Lieutenant Governor on the nomination of the leader of the political party which forms the Government. Members of the Executive Council hold seats in the Legislative Assembly.

Saskatchewan's Legislative Assembly has 58 seats and is elected for a term of five years, subject to earlier dissolution by the Lieutenant Governor acting in accordance with constitutional principles. The Legislative Assembly is usually dissolved by the Lieutenant Governor on the recommendation of the Premier. The most recent Provincial election was held on September 16, 1999, and resulted in the formation of a coalition between the New Democratic Party and the Liberal Party as the Government of Saskatchewan. On November 6, 2001, a new coalition agreement was formed between the New Democratic Party and two Independent Members of the Legislative Assembly. The representation in the Legislative Assembly at December 3, 2001 was as follows: New Democratic Party, 29 seats; Saskatchewan Party, 26 seats; Independent, 3 seats.

OVERVIEW OF THE ECONOMY

Introduction

Saskatchewan has a modern, open and diversified economy. Approximately two-thirds of the total value of all goods and services produced in the Province are exported. Major exports include grains, oilseeds, crude oil, potash, natural gas, uranium and manufactured goods. While many of the goods and service producing industries are directly or indirectly related to agriculture and natural resources, the Provincial economy continues to diversify into information age activities such as high technology, biotechnology and financial and other services. The Province's abundance of renewable and non-renewable resources has made it the largest producer of wheat, second largest producer of crude oil and third largest natural gas producer in Canada. Saskatchewan is also one of the world's leading suppliers of potash and uranium.

Saskatchewan's economy expanded at an annual real rate of 4.6 per cent in 2000. Canada's real Gross Domestic Product ("GDP") increased by 4.4 per cent in the same year. Refer to footnote 1 on page 4 for further information.

Mining is the largest sector among Saskatchewan's goods-producing industries. The dominant mineral products of the Province include crude oil, potash, natural gas and uranium. Buoyed by rising prices, the number of oil and natural gas wells drilled increased by 71.9 per cent and 17.6 per cent, respectively, in 2000. The value of oil, natural gas and potash sales increased, growing by 11.7 per cent, 1.6 per cent and 10.3 per cent, respectively, in the same year.

Agriculture is the second largest sector among Saskatchewan's goods producing industries. Saskatchewan farmers harvested 28.2 million tonnes of the major grains and oilseeds in 1999, about 11.5 per cent more than the harvest in 1998. In 2000, the volume of crop production decreased slightly to 28.1 million tonnes, about 0.4 per cent less than in 1999. Saskatchewan farm cash receipts amounted to \$5.8 billion in 2000, up 5.4 per cent. Increases in livestock receipts and government payments offset the decline in crop receipts. In 2000, realized net farm income, which is the income left with farmers after deducting operating expenses and depreciation costs from farm cash receipts, amounted to \$389.8 million, up 2.3 per cent from the previous year.

Manufacturing is also an important sector of the Saskatchewan economy with food processing, farm machinery, chemical products and high technology being the main components of this sector. In 2000, Saskatchewan's manufacturing shipments increased by 13.9 per cent.

Saskatchewan's employment level increased by 1.0 per cent or 4,900 jobs in 2000. In Canada, employment increased by 2.6 per cent or 378,500 jobs in 2000.

Saskatchewan's unemployment rate averaged 6.1 per cent in 1999 and 5.2 per cent in 2000. The national unemployment rate averaged 7.6 per cent in 1999 and 6.8 per cent in 2000.

The inflation rate of the Province, as measured by the rate of increase in the Consumer Price Index, was 1.7 per cent in 1999 and 2.6 per cent in 2000 compared to Canada's inflation rates of 1.7 per cent and 2.7 per cent, respectively.

The following table sets forth a summary of economic indicators for Saskatchewan and for Canada for the five years ended December 31, 2000.

Summary of Economic Indicators¹

	Calendar Year Ended December 31					Compound Annual Growth Rate 1996-2000
	1996	1997	1998	1999	2000	
Gross Domestic Product - Saskatchewan						
Current Market Prices (Millions)	\$ 28,906	\$ 29,115	\$ 28,750	\$ 29,908	\$ 32,918	3.3%
Annual Rate of Change	8.6%	0.7%	(1.3)%	4.0%	10.1%	N/A
Per Capita	\$ 28,354	\$ 28,488	\$ 28,052	\$ 29,164	\$ 32,210	3.2%
Constant 1992 Prices (Millions)	\$ 24,772	\$ 26,218	\$ 26,365	\$ 26,719	\$ 27,951	3.1%
Annual Rate of Change	3.3%	5.8%	0.6%	1.3%	4.6%	N/A
Per Capita	\$ 24,299	\$ 25,653	\$ 25,725	\$ 26,055	\$ 27,350	3.0%
Gross Domestic Product - Canada						
Current Market Prices (Millions)	\$ 839,064	\$ 885,022	\$ 915,865	\$ 975,263	\$ 1,056,010	5.9%
Annual Rate of Change	3.3%	5.5%	3.5%	6.5%	8.3%	N/A
Per Capita	\$ 28,278	\$ 29,513	\$ 30,278	\$ 31,977	\$ 34,320	5.0%
Constant 1997 Prices (Millions)	\$ 848,667	\$ 885,022	\$ 919,770	\$ 966,362	\$ 1,009,182	4.4%
Annual Rate of Change	1.6%	4.3%	3.9%	5.1%	4.4%	N/A
Per Capita	\$ 28,602	\$ 29,513	\$ 30,407	\$ 31,685	\$ 32,798	3.5%
Consumer Price Index ²						
(Annual Percentage Change)						
Saskatchewan	1.9%	1.3%	1.4%	1.7%	2.6%	N/A
Canada	1.6%	1.6%	0.9%	1.7%	2.7%	N/A
Population (July 1)(Thousands)						
Saskatchewan	1,019.5	1,022.0	1,024.9	1,025.5	1,022.0	0.1%
Canada	29,671.9	29,987.2	30,248.2	30,499.2	30,769.7	0.9%
Unemployment Rate						
Saskatchewan	6.6%	5.9%	5.7%	6.1%	5.2%	N/A
Canada	9.6%	9.1%	8.3%	7.6%	6.8%	N/A

¹ Statistics Canada converted Canada's real GDP from the 1992 Laspeyres Index to the Chain Fisher Index using 1997 as the reference year. Saskatchewan's real GDP, however, continues to be reported in 1992 Laspeyres terms. Thus, Saskatchewan's real GDP growth rate cannot be meaningfully compared with Canada's real GDP growth rate.

² 1992 = 100

N/A = not applicable

Sources: Saskatchewan Bureau of Statistics, Statistics Canada

Gross Domestic Product

Saskatchewan's real GDP measured in constant 1992 dollars increased at a compound average annual rate of 3.1 per cent in the period from 1996 to 2000. Measured in current market prices, Saskatchewan's GDP grew at a compound average annual rate of 3.3 per cent in the same period. In 2000, Saskatchewan's real GDP increased by 4.6 per cent.

The following table sets forth the composition of the Province's GDP both at current market prices and in constant 1992 dollars for the five years ended December 31, 2000.

Gross Domestic Product

	Year Ended December 31					Compound Annual Growth Rate 1996-2000
	1996	1997	1998	1999	2000	
	(Millions)					
Gross Domestic Product						
Current Market Prices						
Personal Expenditure on Goods and Services	\$ 15,310	\$ 16,219	\$ 16,621	\$ 17,135	\$ 18,001	4.1%
Government Expenditure on Goods and Services	5,763	5,772	5,980	6,122	6,348	2.4%
Gross Fixed Capital Formation	5,678	7,613	6,792	6,650	6,380	3.0%
Value of Physical Change in Inventories:						
Non-Farm	617	851	(137)	(161)	82	N/A
Farm Inventories and Grain in Commercial Channels	730	(747)	(160)	219	36	N/A
Exports of Goods and Services	17,847	19,527	18,598	19,880	23,852	7.5%
Less: Imports of Goods and Services	17,116	20,163	19,336	20,419	21,559	5.9%
Residual Error and Adjustment	77	43	392	482	(222)	N/A
Total	\$ 28,906	\$ 29,115	\$ 28,750	\$ 29,908	\$ 32,918	3.3%
Gross Domestic Product						
Constant 1992 Dollars						
Personal Expenditure on Goods and Services	\$ 14,157	\$ 14,760	\$ 15,010	\$ 15,294	\$ 15,800	2.8%
Government Expenditure on Goods and Services	5,340	5,238	5,365	5,420	5,483	0.7%
Gross Fixed Capital Formation	5,221	6,830	6,026	6,034	5,807	2.7%
Value of Physical Change in Inventories:						
Non-Farm	350	740	(103)	(151)	73	N/A
Farm Inventories and Grain in Commercial Channels	517	(343)	100	430	146	N/A
Exports of Goods and Services	14,271	16,520	16,290	17,003	19,041	7.5%
Less: Imports of Goods and Services	15,150	17,566	16,682	17,741	18,211	4.7%
Residual Error and Adjustment	66	39	359	430	(188)	N/A
Total	\$ 24,772	\$ 26,218	\$ 26,365	\$ 26,719	\$ 27,951	3.1%

N/A - not applicable

Note: Components may not add due to rounding.

Source: Saskatchewan Bureau of Statistics

Capital Expenditure

Gross fixed capital formation increased at a compound average annual rate of 3.0 per cent over the period from 1996 to 2000. Investment in institutions increased by 19.7 per cent; manufacturing 18.4 per cent; communication and utilities 13.0 per cent; and finance and insurance 8.0 per cent.

The following table sets forth information on Saskatchewan's gross fixed capital formation for the five years ended December 31, 2000.

	Gross Fixed Capital Formation					Compound Annual Growth Rate 1996-2000
	Year Ended December 31					
	1996	1997	1998	1999	2000	
	(Millions)					
Agriculture ¹	\$ 765	\$ 955	\$ 911	\$ 605	\$ 570	(7.1) %
Mining ²	1,723	2,824	1,614	1,359	1,682	(0.6)
Construction	65	75	80	58	55	(4.1)
Manufacturing	251	321	393	335	493	18.4
Transportation	488	607	1,010	1,207	617	7.2
Information and Cultural Services	202	219	213	228	207	0.6
Communication and Utilities	181	232	270	356	295	13.0
Retail and Wholesale Trade	344	397	241	248	243	(8.3)
Finance and Insurance ³	1,040	1,210	1,291	1,458	1,413	8.0
Commercial Services	110	126	144	95	99	(2.6)
Institutions	153	243	208	275	314	19.7
Public Administration	376	404	419	428	393	1.1
Total	\$ 5,678	\$ 7,613	\$ 6,792	\$ 6,650	\$ 6,380	3.0 %

¹ Includes forestry, fishing, trapping and hunting.

² Includes oil, potash, uranium, natural gas and other minerals.

³ Includes real estate and other services not shown above.

Components will not add to total.

Source: Saskatchewan Bureau of Statistics

Exports and Imports

Grains, crude oil, manufactured goods and potash are Saskatchewan's principal exports, accounting for 12.9 per cent, 17.3 per cent, 12.1 per cent and 7.1 per cent, respectively, of total exports in 2000. For the five years ended December 31, 2000, total exports increased by an average of 7.5 per cent per year while imports increased by an average of 5.9 per cent per year.

The following table sets forth details of Saskatchewan's exports and imports at current market prices for the five years ended December 31, 2000.

Trade with the Rest of Canada and Abroad

	Year Ended December 31					Compound Annual Growth Rate 1996-2000
	1996	1997	1998	1999	2000	
	(Millions)					
Exports						
Grain.....	\$ 3,953	\$ 4,057	\$ 3,618	\$ 3,057	\$ 3,065	(6.2) %
Crude Oil.....	2,573	2,423	1,623	2,578	4,122	12.5
Potash.....	1,116	1,505	1,611	1,633	1,703	11.1
Manufactured Goods to the						
Rest of Canada	2,043	2,491	2,296	2,520	2,883	9.0
Other	8,162	9,051	9,450	10,092	12,079	10.3
Total Exports	\$ 17,847	\$ 19,527	\$ 18,598	\$ 19,880	\$ 23,852	7.5 %
Imports						
Crude Oil	\$ 235	\$ 193	\$ 188	\$ 285	\$ 501	20.8 %
Manufactured Goods from the						
Rest of Canada	5,203	5,458	4,903	5,091	5,282	0.4
Other	11,678	14,512	14,245	15,063	15,776	7.8
Total Imports	\$ 17,116	\$ 20,163	\$ 19,336	\$ 20,419	\$ 21,559	5.9 %

Source: Saskatchewan Bureau of Statistics

Labour Force and Employment

Saskatchewan's unemployment rate remained well below the national unemployment rate in 2000. The national unemployment rate stood at 6.8 per cent in 2000, while Saskatchewan's unemployment rate was 5.2 per cent in the same year.

In the first ten months of 2001, Saskatchewan's seasonally adjusted unemployment rate has averaged 5.8 per cent, compared to the national average unemployment rate of 7.1 per cent over the same period.

The following table sets forth selected labour force statistics for Saskatchewan and Canada for the five years ended December 31, 2000.

Labour Force Statistics						Compound Annual Growth Rate 1996-2000
Year Ended December 31						
1996	1997	1998	1999	2000		
(Thousands, Except Percentages)						
Labour Force						
Saskatchewan	490	500	505	511	512	1.1 %
Canada	14,900	15,153	15,418	15,721	15,999	1.8 %
Employed						
Saskatchewan	458	470	476	480	485	1.5 %
Canada	13,463	13,774	14,140	14,531	14,910	2.6 %
Unemployed						
Saskatchewan	32	29	29	31	27	(4.6) %
Canada	1,437	1,379	1,278	1,190	1,089	(6.7) %
Unemployment Rate						
Saskatchewan	6.6%	5.9%	5.7%	6.1%	5.2%	N/A
Canada	9.6%	9.1%	8.3%	7.6%	6.8%	N/A
Participation Rate						
Saskatchewan	65.4%	66.3%	66.6%	67.0%	67.0%	N/A
Canada	64.7%	64.9%	65.1%	65.6%	65.9%	N/A

N/A - Not applicable

Source: Statistics Canada.

Approximately 27,000 net new jobs were created in the Province in the period from 1996 to 2000. Construction, mining, transportation, communication and utilities, and business & community services were the leaders in terms of job creation during the period in review.

The following table sets forth selected statistics of employment by industry for the Province.

Employment by Industry

	Year Ended December 31					Compound Annual Growth Rate 1996-2000
	1996	1997	1998	1999	2000	
	(Thousands)					
Goods-Producing Industries						
Agriculture	72	70	72	68	62	(3.5) %
Mining	14	17	16	14	16	3.4
Construction	20	22	22	24	24	4.8
Manufacturing	28	29	30	28	29	0.7
Subtotal	134	138	140	133	131	(0.5)
Service Industries						
Transportation, Communication, Utilities and Storage	27	28	27	29	32	3.6
Wholesale and Retail Trade	70	71	74	77	76	2.3
Finance, Insurance and Real Estate	25	25	25	25	27	2.1
Business and Community Services	173	178	181	191	193	2.7
Public Administration	29	30	29	27	27	(2.3)
Subtotal	324	332	336	347	354	2.2
Total	458	470	476	480	485	1.5 %

Note: Components may not add due to rounding.

Source: Saskatchewan Bureau of Statistics

Personal Income

Saskatchewan personal income increased at a compound average annual rate of 2.4 per cent over the period from 1996 to 2000. The following table sets forth personal income for Saskatchewan for the five years ended December 31, 2000.

	Personal Income					Compound Annual Growth Rate 1996-2000
	Year Ended December 31					
	1996	1997	1998	1999	2000	
	(Millions)					
Wages, Salaries and Supplementary Labour Income	\$ 11,446	\$ 12,215	\$ 12,659	\$ 13,000	\$ 13,798	4.8 %
Net Income Received by Farm Operators from Farm Production	1,415	119	213	307	180	(40.3)
Net Income of Non-Farm Unincorporated Business ¹	1,553	1,718	1,813	1,924	2,003	6.6
Interest, Dividends and Miscellaneous Investment Income	3,096	2,991	3,036	3,088	3,206	0.9
Others	3,650	3,738	3,869	3,995	4,108	3.0
Total	\$ 21,160	\$ 20,781	\$ 21,590	\$ 22,314	\$ 23,295	2.4 %

¹ Includes rent.

Source: Saskatchewan Bureau of Statistics.

Economic Structure

The following table sets forth Saskatchewan's GDP at factor cost by industry for the four years ended December 31, 2000.

Gross Domestic Product at Factor Cost by Industry in Millions of 1997 Dollars

	Year Ended December 31				Per Cent of 2000 Total	Compound Annual Growth Rate 1997-2000
	1997	1998	1999	2000		
	(Millions)					
Goods-Producing Industries						
Agriculture, forestry, fishing and hunting	\$ 2,436	\$ 2,694	\$ 2,894	\$ 2,763	9.5 %	4.3 %
Mining ¹	4,084	3,883	3,695	4,100	14.2	0.1
Manufacturing	1,911	1,879	1,907	2,073	7.2	2.7
Construction	1,558	1,509	1,498	1,447	5.0	(2.4)
Subtotal	\$ 9,989	\$ 9,965	\$ 9,994	\$ 10,383	35.9	1.3
Services Industries						
Information and Cultural Services	\$ 757	\$ 806	\$ 959	\$ 1,114	3.8	13.8
Finance, Insurance and Real Estate	4,310	4,462	4,536	4,606	15.9	2.2
Wholesale and Retail Trade	2,631	2,761	2,773	2,933	10.1	3.7
Transportation	1,571	1,567	1,557	1,607	5.6	0.8
Communication and Utilities	801	807	771	743	2.6	(2.5)
Commercial Services	2,353	2,538	2,624	2,683	9.3	4.5
Institutions	3,001	3,163	3,218	3,255	11.2	2.7
Public Administration	1,497	1,547	1,587	1,624	5.6	2.8
Subtotal	\$ 16,921	\$ 17,651	\$ 18,025	\$ 18,564	64.1	3.1
Gross Domestic Product at Factor Cost	\$ 26,911	\$ 27,616	\$ 28,018	\$ 28,947	100.0 %	2.5 %

¹ Includes oil, potash, uranium, natural gas and other minerals.

Note: Components may not add due to rounding. GDP at factor cost and GDP at market prices differ by the amount of "indirect taxes net of subsidies." Data prior to 1997 are not yet available as the data is being converted to 1997 dollars from 1992 dollars.

Source: Statistics Canada.

Agriculture

Saskatchewan has approximately 57,000 farms with an average size of 1,152 acres. With slightly less than half of the total land area of the Province utilized for farming, the Province has approximately half of the cultivated farm land in all of Canada.

Historically, wheat has been Saskatchewan's largest single grain crop in terms of volume and value. Between 1991 and 2000, wheat accounted for 42.7 per cent of all crops grown in the Province and represented over half of all the wheat grown in Canada. In 2000, wheat's share accounted for 31.3 per cent of the total Saskatchewan crop harvest. Other major grains and oilseeds such as durum, barley and canola accounted for 56.9 per cent of total crop production in 2000. Specialty crops such as mustard, lentils and peas accounted for 11.8 per cent of the total harvest in 2000.

Crop Production

	Calendar Year Ended December 31									1991 to 2000 10 year Average	
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	
	(Millions of Tonnes)										
Wheat.....	14.9	13.6	12.3	8.4	9.0	12.8	9.6	7.9	10.4	8.8	10.8
Durum.....	3.6	2.6	2.7	3.7	3.7	3.8	3.5	4.7	3.4	4.8	3.6
Barley.....	3.1	3.2	4.2	3.9	4.4	5.4	4.4	4.3	4.9	5.5	4.3
Canola.....	1.7	1.5	2.4	3.2	2.6	2.2	2.7	3.2	4.0	3.4	2.7
Specialty Crops ¹	0.6	0.7	1.2	1.8	1.6	1.6	1.8	2.5	2.8	3.3	1.8
Other ²	0.8	0.9	1.6	2.2	1.9	2.5	2.1	2.7	2.7	2.4	2.0
Total.....	24.8	22.5	24.5	23.2	23.2	28.2	24.1	25.3	28.2	28.1	25.2

¹ Includes mustard, sunflowers, lentils, field peas and canary seed.

² Includes oats, fall rye, spring rye, flax and mixed grain.

Source: Statistics Canada.

Livestock production is also important in Saskatchewan. Approximately one-quarter of the total Canadian beef cattle herd is located in the Province. Other livestock raised in Saskatchewan include hogs, sheep, lambs, poultry and dairy cattle.

Farm cash receipts from crop production totalled \$3.6 billion in 2000, with wheat and durum accounting for \$1.6 billion, or 45.0 per cent, of the year's total cash receipts from crop sales. Farm cash receipts from the sale of livestock and livestock products amounted to \$1.5 billion in 2000, with cattle and calves accounting for \$969 million, or 67.0 per cent, of the year's total cash receipts from livestock sales.

The following table sets forth Saskatchewan's farm cash receipts for the five years ended December 31, 2000.

Farm Cash Receipts

	Year Ended December 31					Compound Annual Growth Rate 1996-2000
	1996	1997	1998	1999	2000	
	(Millions)					
Crops						
Wheat and Durum	\$ 2,373	\$ 2,412	\$ 1,871	\$ 1,588	\$ 1,602	(9.4) %
Canola	750	873	1,119	788	788	1.2
Barley	468	398	281	251	286	(11.6)
Other Crops ¹	662	810	852	1,013	884	7.5
Subtotal	\$ 4,253	\$ 4,494	\$ 4,123	\$ 3,640	\$ 3,560	(4.3)
Livestock & Livestock Products						
Cattle & Calves	\$ 622	\$ 808	\$ 858	\$ 978	\$ 969	11.7
Hogs	183	186	141	145	214	3.9
Other Livestock and Livestock Products ²	233	239	240	250	263	3.1
Subtotal	\$ 1,039	\$ 1,233	\$ 1,239	\$ 1,372	\$ 1,446	8.6
Supplementary, Deficiency, Stabilization, Insurance and Other Payments	\$ 466	\$ 265	\$ 236	\$ 476	\$ 776	13.6
Total Farm Cash Receipts	\$ 5,757	\$ 5,993	\$ 5,598	\$ 5,488	\$ 5,782	0.1 %

¹ Includes net deferments.

² Includes sheep, lambs, dairy products, poultry, eggs and other livestock products.

Note: Components may not add due to rounding.

Source: Statistics Canada.

Total farm revenue is made up of three components: crop receipts, livestock receipts and government program payments. Crop receipts amounted to \$3.6 billion in 2000, down 2.2 per cent from 1999. Farm cash receipts from livestock sales amounted to \$1.5 billion in the same year, up 5.4 per cent from 1999. Government payments in 2000 amounted to \$776.0 million compared with the \$476.0 million provided by both the federal and provincial governments to farmers in 1999.

Saskatchewan's 2000 realized net farm income amounted to \$389.8 million, up 2.3 per cent from the 1999 amount of \$381.2 million. Realized net farm income is the result of deducting farm operating expenses and depreciation cost from farm cash receipts.

Realized net farm income and net income received by farm operators are two different measures of farm income. The latter is derived by adding the value of farm inventory change to, and subtracting farm corporation profits from, realized net farm income.

Mining and Petroleum/Natural Gas

In 2000, the total value of mineral sales amounted to \$8.9 billion, an increase of 39.1 per cent from the prior year. Crude oil, natural gas and potash accounted for about 88 per cent of the total value of mineral sales in 2000.

In the first seven months of 2001, total sales of crude oil amounted to \$2.3 billion, a decrease of 22.1 per cent from the comparable period in 2000. Sales of natural gas increased by 86.0 per cent for the first seven months of 2001.

The following table sets forth Saskatchewan's value and volume of mineral sales for the five years ended December 31, 2000.

	Mineral Sales					Compound Annual Growth Rate 1996-2000
	Year Ended December 31					
	1996	1997	1998	1999	2000	
	(Millions of Dollars Unless Otherwise Indicated)					
Value of Mineral Sales						
Oil	\$ 3,138	\$ 2,904	\$ 1,978	\$ 3,095	\$ 5,078	12.8 %
Natural Gas	393	421	447	637	1,120	30.0
Potash	1,116	1,505	1,625	1,633	1,589	10.9
Sodium Sulphate	32	32	30	26	23	(7.5)
Other	921	868	726	1,042	1,034	2.9
Total	\$ 5,599	\$ 5,730	\$ 4,806	\$ 6,432	\$ 8,945	12.4 %
Volume of Mineral Sales						
Oils (millions of barrels)	132	149	146	137	152	3.7 %
Natural Gas (millions of cubic metres)	6,927	6,259	5,969	6,337	6,584	(1.3) %
Potash (thousands of tonnes)	7,029	8,717	8,036	7,975	8,592	5.1 %
Sodium Sulphate (thousands of tonnes)	331	311	300	292	254	(6.3) %

Note: Components may not add due to rounding.

Source: Saskatchewan Bureau of Statistics and Saskatchewan Energy and Mines.

Other includes Uranium, Gold, Silver, Sodium Sulphate, Cadmium, Selenium, Tellurium, Zinc, Copper, Salt, Coal, Sand and Gravel.

Oil. Saskatchewan is the second largest crude oil producing province in Canada. At December 31, 2000, remaining recoverable reserves in the Province were estimated at 1,100 million barrels of crude oil economically recoverable at then-current conditions. This estimate is subject to change with price fluctuations and technological improvements.

The volume of Saskatchewan oil sales increased at a compound annual growth rate of 3.7 per cent from 1996 to 2000 and the value of oil sales increased by 12.8 per cent in the same period.

Saskatchewan crude oil production is of light, medium and heavy gravity. The major market for Saskatchewan's oil is the upper midwest of the United States (approximately 60 - 65 per cent). The remaining production is marketed mostly in Saskatchewan (primarily to the NewGrade Energy Inc. ("NewGrade") heavy oil upgrader located in Regina and the Husky Upgrader (formerly called "BI-Provincial Heavy Oil Upgrader") located near Lloydminster, with a small percentage marketed in Alberta.

Both the NewGrade and Husky Upgraders are designed to produce an output of light synthetic crude oil from a feedstock of blended heavy crude oil. In 2000, New Grade used approximately 21 million barrels of crude oil feedstock. During the same year, the Husky Upgrader used approximately 24 million barrels of blended heavy oil.

In addition to local companies, a large number of multinational oil and gas companies were actively involved in exploration and development in the Province. From 1996 to the end of 2000, 11,004 oil wells were drilled in Saskatchewan, resulting in approximately \$7.6 billion in expenditures on oil exploration and development in the Province. The oil industry has recently experienced success with deep drilling discoveries and is adopting technological improvements. For example, horizontal drilling and screw pump technology can significantly improve recovery rates and lower operating costs for many reservoirs in Saskatchewan. In 2000, 489 horizontal wells were drilled in the Province. A total of 1,419 oil wells have been drilled in the first eight months of 2001.

Natural Gas. The volume of Saskatchewan natural gas sales decreased at a compound average annual rate of 1.3 per cent from 1996 to 2000, while the value of natural gas sales increased by 30.0 per cent in the same period. The natural gas industry in the Province invested approximately \$452 million in the period from 1996 to 2000 exploring for and developing natural gas reserves. During this period, 3,565 natural gas wells were drilled.

Potash. Saskatchewan has ten potash mines that produce potash from massive reserves located in southern Saskatchewan. By conservative estimates, Saskatchewan could supply world demand at current levels for several hundred years. Potash production in Saskatchewan is highly mechanized and relatively low-cost because of the regularity and thickness of deposits and the predictability of ore grades.

In recent years, Saskatchewan potash production has accounted for about 33.0 per cent of the world's output. Approximately 55.0 per cent of Saskatchewan's potash production is exported to the United States. The value of Saskatchewan potash sales amounted to \$1.7 billion in 2000, an increase of 3.4 per cent from 1999. IMC Potash has announced expansion projects at two potash mines in the Province.

Uranium. Saskatchewan is the world's largest producer of uranium and mines and possesses high grade, low cost uranium resources. In 2000, uranium was produced at four facilities (Cluff Lake, Key Lake, Rabbit Lake and McClean Lake) located in the northern part of Saskatchewan.

Current and planned expansion of the Province's uranium supply capability includes the McClean Lake, Midwest, McArthur River and Cigar Lake projects. Of the current projects, construction of the mine and mill at McClean Lake commenced in 1995 and production began in June, 1999. Construction of the McArthur River project was started in 1997 and it began production in December, 1999 with the ore being processed at the Key Lake mill. Of the future expansion projects, Cigar Lake and Midwest received environmental assessment approval in March 1998 and are expected to begin production in 2003 and 2004, respectively.

Cameco Corporation ("Cameco") was formed in 1988 by combining the assets of the Saskatchewan Mining Development Corporation, a Provincial Crown corporation, and Eldorado Nuclear Limited, a federal Crown corporation. Following treasury and secondary offerings in 1991 and additional secondary offerings in 1994 and 1996, the Government's ownership in Cameco was reduced from the original 61.5 per cent to approximately 10.3 per cent at December 31, 1996 (fully diluted). Cameco offered 4 million common shares to the public in August 1997. The Government's ownership interest was approximately 9.8 per cent at December 31, 2000.

Manufacturing

The value of Saskatchewan's manufacturing shipments reached \$7.5 billion in 2000, an increase of 13.9 per cent from 1999.

Manufacturing activity has been traditionally based on agriculture. Food processing is the largest component of the manufacturing sector, accounting for about 22.9 per cent of total manufacturing activity in 2000. Saskatchewan's manufacturing sector also produces farm machinery and chemical products. The further processing of primary products such as grain, livestock, forest products and oil is a growing component of Saskatchewan's manufacturing sector.

Saskatchewan's high technology industry is centred in Saskatoon. Satellite control technology, telecommunications, data communications and agricultural biotechnology products are produced in the Province for domestic and international sale.

Value of Manufacturing Shipments

	Year Ended December 31					Compound Annual Growth Rate 1996-2000
	1996	1997	1998	1999	2000	
	(Millions)					
Food Processing	\$ 1,264	\$ 1,534	\$ 1,666	\$ 1,629	\$ 1,717	8.0 %
Chemicals and Chemical Products	474	562	520	537	589	5.6
Electrical and Electronic	321	302	381	503	767	24.3
Wood	268	313	314	380	334	5.6
Metal Fabrication	261	270	316	389	443	14.2
Non-Metallic Minerals	73	N/A	95	144	125	14.5
Other	2,490	2,984	2,788	2,994	3,514	9.0
Total	\$ 5,150	\$ 5,964	\$ 6,080	\$ 6,576	\$ 7,490	9.8 %

Note: Components may not add due to rounding.

Source: Statistics Canada.

Service Industries

The service industries form the largest component of the Province's economy. Services contribute a substantial part of the Province's economic growth and create the vast majority of jobs. Services accounted for approximately 73.0 per cent of total employment in the Province in 2000.

This sector is comprised of six industries, namely: business, personal and community services; finance, insurance and real estate; wholesale and retail trade; transportation; communication and utilities; and, public administration.

Of these, the biggest sector in terms of output share and employment is business, personal and community services. Output from the business, personal and community services sector accounts for one-fifth of the entire economy and approximately four out of ten jobs in the Province. This segment of the industry consists of: education and related services; health care institutions, including hospitals, nursing homes and welfare services; religious organizations; amusement and recreation services; business services such as management and business consultants and computer services; personal services; and, accommodation and food.

Finance, insurance and real estate, which constitute a large component of the service-producing industries, represented 15.9 per cent of the entire Saskatchewan economy in 2000. This segment includes banks and other institutions delivering financial services, insurance carriers and agencies and real estate companies.

FINANCES OF THE GOVERNMENT

Introduction

The Saskatchewan Government ("Government") has general authority for the administration of provincial activities and functions within the Province. Responsibility for a variety of such activities and functions has been ceded to local government bodies and agencies under authority of a number of provincial statutes. Responsibilities of the Government not ceded to local government bodies are carried out directly by the Government and through a number of funds and provincial Crown corporations.

Funds

The General Revenue Fund financial statements have been designed primarily to provide an accounting of the financial resources appropriated by the Saskatchewan Legislative Assembly. The General Revenue Fund is the general fund of the Government to which all public monies received are credited except where the Legislative Assembly has directed otherwise. Substantially all of the debt of the Government is incurred pursuant to *The Financial Administration Act, 1993* and is repayable from the General Revenue Fund.

The General Revenue Fund financial statements are not intended to be summary financial statements that provide a full accounting of the financial affairs and resources of all the entities for which the Government is responsible. Only those transactions pertaining to the receipt of money from or payment of money to the General Revenue Fund are reflected in these statements. The financial transactions of other Crown entities, such as provincial Crown corporations, agencies, boards, and commissions, are reported separately from the financial transactions of the General Revenue Fund. See the "Government of Saskatchewan Summary Financial Statements" below commencing on page 62.

A variety of special purpose and other funds are administered by the Government. Included within these funds are superannuation funds, funds held in trust for third parties under various arrangements and special purpose funds. The assets, liabilities and residual balances of these funds are maintained and reported separately from those of the General Revenue Fund.

The General Revenue Fund's fiscal year begins on April 1 and ends on March 31. Revenue is recorded on the accrual basis except for receipts from the federal government for corporate and personal income taxes. Expenditures are recorded on an accrual basis except for pension costs. Expenditures include the cost of tangible capital assets and inventories received during the year.

Each year the Minister of Finance presents a budget to the Legislative Assembly that provides estimates of the Government's planned activities during the fiscal year for the General Revenue Fund. The estimates of expenditures in each fiscal year are voted by the Legislative Assembly, with the exception of those expenditures for which provision has been made previously by legislation, such as amounts required to service the debt of the Government.

Following the close of each fiscal year, the Provincial Auditor examines the accounts of the Government and renders an opinion on the various financial statements included in the Public Accounts of the Government. In addition, the Provincial Auditor is required to make a report to the Legislative Assembly on the results of his examination.

General Revenue Fund Statement of Cash Requirements and Financing

The following table summarizes cash requirements and financing of the General Revenue Fund for the five fiscal years ended March 31, 2001, and the Budget Estimate for fiscal year 2002.

General Revenue Fund Statement of Cash Requirements and Financing

	Fiscal Year Ended March 31					Estimated
	1997	1998	1999	2000	2001	2002
			(Millions)			
Cash Requirements						
Operating Activities						
Revenue	\$ 5,503	\$ 5,162	\$ 5,603	\$ 5,856	\$ 6,754	\$ 6,042
Expenditures	5,096	5,127	5,575	5,773	5,921	6,303
Transfers (to) from Fiscal Stabilization Fund	-	-	-	-	(775)	264
Budgetary Surplus (Deficit) ¹	407	35	28	83	58	3
Add (deduct) non-cash items						
Amortization of Foreign Exchange Gains and Losses	(6)	3	9	6	14	15
Loss on Loans and Investments	1	1	2	1	(1)	3
Net Change in Non-cash Operating Activities	13	(8)	2	(223)	(102)	1
Earnings Retained in Sinking Funds	(15)	(24)	(27)	(23)	(36)	(37)
Cash provided by (used for) Operating Activities	400	7	14	(156)	(67)	(15)
Investing Activities						
Receipts	1,008	790	1,001	300	698	301
Disbursements	470	407	495	213	573	360
Cash provided by Investing Activities	538	383	506	87	125	(59)
Cash provided (Required)	\$ 938	\$ 390	\$ 520	\$ (69)	\$ 58	\$ (74)
Financing Activities						
Proceeds from Debt	\$ 466	\$ 486	\$ 674	\$ 1,436	\$ 1,940	\$ 891
Repayment of Debt	(1,485)	(969)	(1,356)	(1,580)	(2,238)	(809)
Proceeds from (Repayment of) Debt	(1,019)	(483)	(682)	(144)	(298)	82
Increase (Decrease) in deposits held	341	12	241	330	149	(264)
(Increase) Decrease in Cash & Temporary Investments	(260)	81	(79)	(117)	91	256
Total Financing	\$ (938)	\$ (390)	\$ (520)	\$ 69	\$ (58)	\$ 74

¹ See Notes 1-6 commencing on page 34.

Fiscal Year 2001 Results

On July 20, 2001, the Minister of Finance released the financial results for the General Revenue Fund for the fiscal year ended March 31, 2001.

Total General Revenue Fund revenue of \$6,753.6 million for the fiscal year ended March 31, 2001 increased by \$896.7 million or 15.3 per cent over the previous fiscal year. The increase in revenue is principally due to: the drawdown of 100 per cent of the retained earnings (\$699.8 million) and 100 per cent of the net income (\$316.4 million) of the Saskatchewan Liquor and Gaming Authority ("SLGA"); and, higher non-renewable resource revenue partially offset by a substantial decrease in the Equalization transfer from the federal government. The General Revenue Fund expenses of \$5,920.9 million increased by \$147.5 million or 2.6 per cent over the previous year principally due to increased costs for health care primarily due to Health District operating deficits, utilization increases of insured services and a revised physician bargaining mandate. Increased costs for education, highways, economic development and pensions were partially offset by reductions in agriculture and forest fire fighting costs. In addition, the General Revenue Fund transferred \$775.0 million to the Fiscal Stabilization Fund (the "FSF"). The FSF was established by legislation during fiscal 2000-01 to safeguard the fiscal position of the Province from year to year. The target level of the FSF over the long term will be 5 per cent of the prior year's General Revenue Fund revenue and transactions to and from the FSF will be completely transparent. The General Revenue Fund surplus was \$57.7 million for fiscal year 2001, compared to \$83.5 million for fiscal year 2000. Net cash provided by operations and investments in fiscal year 2001 was \$58.5 million, compared to net cash required for operations and investments of \$68.5 million in the previous year.

At March 31, 2001, gross debt of the General Revenue Fund was \$11,761.1 million compared to \$11,867.9 million at March 31, 2000. Approximately 67 per cent of the General Revenue Fund's gross debt at March 31, 2001 was incurred for general government purposes while 33 per cent was incurred for and reimbursable from Crown corporations. Approximately 79 per cent of the General Revenue Fund's gross debt was denominated in Canadian dollars while about 21 per cent was denominated in United States dollars at March 31, 2001.

During fiscal year 2001, the General Revenue Fund issued and sold \$1,442.9 million in medium and long term debentures and increased short term debt by \$34.9 million for general government purposes. During fiscal year 2001, the General Revenue Fund redeemed outstanding debentures issued for general government purposes totalling \$1,597.4 million. During the same period, the General Revenue Fund issued and sold \$224.3 million in medium and long term debentures for Crown corporations, increased short term debt by \$238.2 million for Crown corporations and redeemed \$641.0 million of debentures issued for Crown corporations. The General Revenue Fund's sinking funds totalled \$876.6 million at March 31, 2001. Contributions to the General Revenue Fund's sinking funds amounted to \$77.3 million in fiscal year 2001.

Guaranteed debt of the General Revenue Fund was \$312.0 million at March 31, 2001, compared to \$349.0 million at March 31, 2000. This decrease of 10.6 per cent is due primarily to reduced guaranteed debt for Saskferco Products Inc. and NewGrade Energy Inc.

Fiscal Year 2002 Estimate

On March 30, 2001, the Minister of Finance tabled the Budget Address and Estimates for the fiscal year ending March 31, 2002. The Budget Estimates for the General Revenue Fund for fiscal year 2002 (the "Budget") project total revenue of \$6,041.7 million, a transfer from the FSF of \$263.7 million, total expenses of \$6,302.6 million and a budgetary surplus of \$2.8 million. This is estimated to be the eighth consecutive surplus budget for the Province since fiscal year 1995. Net cash required for operations and investments in fiscal year 2002 is estimated to be \$73.6 million.

The 2001-02 Budget is based on a plan to connect Saskatchewan to the future with key investments in the areas of education, technology and highways as well as increased funding for health care. In addition, through the drawdown of \$263.7 million from the FSF, the Budget provides for several one-time or limited-period initiatives. The Budget continues the tax reform initiatives introduced in 2000-01, including: the three-rate tax on income system introduced on January 1, 2001; elimination of the flat tax, high income surtax and debt reduction surtax; introduction of a number of income tax credits; reduction of small business taxes; and, reductions for taxes, royalties and fees in the resource sector.

The Budget also introduced a new four year fiscal plan for the period 2001-02 to 2004-05 highlighted by sustainable budget surpluses and modest debt reduction over the four year period.

The 2002 Budget estimated gross debt at March 31, 2002 to be \$11,786.7 million compared to \$11,761.1 million at March 31, 2001, an increase of \$25.6 million, or 0.2 per cent. General government purpose gross debt was estimated to be \$7,994.6 million at March 31, 2002 compared with \$7,912.8 million at March 31, 2001, an increase of \$81.8 million. The increase in estimated general government purpose gross debt is due to reducing deposits held by the General Revenue Fund. Crown corporation purpose gross debt was estimated to be \$3,792.1 million at March 31, 2002 compared with \$3,848.3 million at March 31, 2001, a decrease of \$56.2 million.

Guaranteed debt at March 31, 2002 was estimated at \$254.4 million, compared to \$312.0 million at March 31, 2001.

Gross debt plus guaranteed debt less sinking funds at March 31, 2002 was estimated at \$11,145.0 million compared to \$11,196.5 million at March 31, 2001, a decrease of \$51.5 million.

The fiscal year 2002 financing requirements were estimated to total \$890.5 million, of which \$206.3 million will be for the purposes of Crown corporations and \$684.2 million will be for general government purposes. Debt retirement was estimated to amount to \$809.2 million, resulting in an increase in gross debt of \$81.3 million.

During the period April 1 to December 10, 2001, the Government issued and sold debentures and bonds totalling \$799.5 million. On July 15, 2001, the Government issued \$49.5 million 5 year, 4.25 per cent Series 10 Saskatchewan Savings Bonds and redeemed \$88.2 million of previous series savings bonds, for a net reduction in savings bonds outstanding of \$38.7 million. On August 8, 2001, the Government issued \$250.0 million 6.40 per cent Canadian debentures due September 5, 2031. On November 1, 2001, the Government issued \$300.0 million 4.75 per cent Canadian debentures due December 1, 2006. On December 10, 2001, the Government issued \$200.0 million through a reopening of its 6.40 per cent debentures due September 5, 2031.

Fiscal Year 2002 Mid-Year Forecast

On November 28, 2001, the Minister of Finance released the Mid-Year Financial Report (the "Report") for the fiscal year ending March 31, 2002. The Report forecasts total revenue of \$5,938.0 million, total expenses of \$6,296.1 million, total transfers from the FSF of \$358.7 million and a budgetary surplus of \$0.6 million.

The \$103.7 million, or 1.7 per cent, decrease in revenue from that estimated in the Budget is due primarily to lower than expected natural gas revenue, certain tax revenues and Equalization payments. Expenses are forecast to decrease by \$6.5 million, or 0.1 per cent, from the Budget estimate mainly due to increased operating expenditures of \$3.5 million offset by decreased interest costs of \$10.0 million. The amount forecast to be transferred from the FSF during the year has been increased by \$95.0 million to \$358.7 million.

The 2002 Mid-Year Financial Report projects gross debt at March 31, 2002 to be \$12,183.1 million compared to \$11,786.7 million estimated in the Budget, an increase of \$396.4 million, or 3.4 per cent. General government purpose gross debt is forecast to be \$8,242.6 million at March 31, 2002 compared to an estimated \$7,994.6 million, an increase of \$248.0 million. Crown corporation gross debt is projected to be \$3,940.5 million compared with \$3,792.1 million estimated in the Budget, an increase of \$148.4 million. The increase in gross debt is primarily due to increased borrowing requirements as discussed below.

Guaranteed debt at March 31, 2002 is now projected to be \$268.2 million, an increase of \$13.8 million from \$254.4 million estimated in the Budget, due to revaluations of U.S. dollar debt guarantees as a result of the lower value of the Canadian dollar.

Gross debt plus guaranteed debt less sinking funds at March 31, 2002 is forecast to be \$11,536.6 million, \$391.6 million more than the \$11,145.0 million estimated in the Budget.

The fiscal year 2002 financing requirements are projected to be \$1,297.6 million, with \$403.2 million required for Crown corporations and \$894.4 million for general government purposes. The increase of \$196.9 million over the \$206.3 million estimated in the Budget for Crown corporation requirements is due primarily to increased requirements for: Saskatchewan Power Corporation due to increased power production costs; and, SaskEnergy Incorporated due to costs associated with increased natural gas price volatility. The increase of \$210.3 million over the \$684.2 million estimated in the Budget for general government purposes is due primarily to a drawdown of funds held on deposit in the GRF on behalf of Saskatchewan Crop Insurance Corporation and the FSF.

The Action Plan for Saskatchewan Health Care

On December 5, 2001, the Premier and the Minister of Health released The Action Plan for Saskatchewan Health Care (the "Action Plan"). The Action Plan lays out the government's initiatives in response to the findings of the Fyke Commission on Medicare and the Saskatchewan Legislature's Standing Committee on Health Care.

The Action Plan contains the following key initiatives to be undertaken over a number of years:

- Maintenance of a province-wide network of hospitals with five major provincial hospitals in Regina and Saskatoon, regional hospitals in six smaller cities, district hospitals in nine communities, community hospitals in 44 smaller communities and northern hospitals in four communities.
- Development of primary health care teams of doctors, nurses and other health providers. Doctors practising in the teams will move from the current fee-for-service payment method to contract or salary payment.
- Establishment of a 24-hour toll-free telephone line, staffed by nurses, to provide immediate access to health advice.
- Increased funding to reduce waiting times for surgery and establishment of a province-wide surgical waiting list.

- Additional funding of \$3 million to train, attract and keep additional health providers.
- Funding emergency medical technician training for 240 new or existing ambulance attendants.
- Establishment of Canada's first Quality Council to develop evidence-based standards in health care delivery, evaluate new technologies and treatments, and report to the public on issues of health care quality.
- Replacement of the current 32 health districts with 12 Regional Health Authorities to be governed by 12-member boards appointed by the Minister of Health. The Regional Health Authorities will receive early budget targets, budget approval at the outset of each fiscal year and multi-year funding targets to facilitate long-term planning.
- A 40 per cent, \$2 million, increase in funding in 2002-03 for health research.

General Revenue Fund Revenue

The General Revenue Fund receives revenue from taxes, non-renewable resources, other provincial sources and other governments.

The following table sets forth General Revenue Fund revenue by major sources for each of the previous five fiscal years ended March 31, 2001, and the Budget Estimate for fiscal year 2002. Also included is the percentage composition of major revenue sources for the Budget Estimate for fiscal year 2002.

General Revenue Fund Revenue¹

	Fiscal Year Ended March 31					Budget Estimate	Percentage of Total Revenue
	1997	1998	1999	2000	Actual 2001	2002	2002
	(Thousands)						
Taxation							
Corporation Capital	\$ 242,304	\$ 267,792	\$ 232,618	\$ 293,351	\$ 342,242	\$ 367,700	6.1 %
Corporation Income	231,620	217,116	200,079	277,226	333,299	273,100	4.5
Individual Income	1,277,191	1,327,582	1,448,043	1,446,169	1,255,409	1,184,900	19.6
Sales	840,962	753,043	742,846	660,314	736,563	795,500	13.2
Fuel	365,452	376,933	354,597	369,010	345,136	367,700	6.1
Tobacco	116,869	123,631	122,681	123,866	122,012	124,600	2.0
Other	47,066	48,526	53,267	52,903	67,573	65,000	1.1
Total	3,121,464	3,114,623	3,154,151	3,222,839	3,202,234	3,178,500	52.6 %
Non-Renewable Resources							
Oil	690,720	488,712	304,501	640,097	799,049	511,500	8.4 %
Potash	87,617	189,487	202,464	169,452	199,296	160,900	2.7
Natural Gas	53,017	44,050	65,944	91,784	239,305	167,900	2.8
Other Minerals	76,290	59,211	49,307	41,817	55,064	37,000	0.6
Total	907,644	781,460	622,216	943,150	1,292,714	877,300	14.5 %
Transfers from Government							
Entities and Other Revenues							
Crown Investments Corporation	50,000	50,000	100,000	125,000	0	200,000	3.3 %
Special Dividend	365,699	0	100,000	0	0	0	0.0
Liquor & Gaming Authority ²	0	350,000	330,000	0	1,016,212	312,700	5.2
Other Enterprises and Funds	10,238	17,794	21,828	35,516	39,175	45,000	0.7
Motor Vehicles Fees	94,606	98,754	108,076	113,300	113,844	112,700	1.9
Sales, Services, and Service Fees	82,185	88,802	92,030	89,327	73,735	69,200	1.2
Licences and Permits	42,065	37,894	36,789	46,446	42,011	47,500	0.8
Other Own-Source Revenue	68,793	70,017	76,476	72,529	101,514	91,000	1.5
Total	713,586	713,261	865,199	482,118	1,366,491	878,100	14.6 %
Transfers from the Federal Government							
Equalization	175,915	8,258	441,944	541,598	175,247	377,000	6.2 %
Canada Health and Social Transfer	485,860	446,361	427,748	556,282	552,378	594,000	9.8
Other Federal Payments	98,770	98,500	91,641	110,945	144,539	136,800	2.3
Total	760,545	553,119	961,333	1,208,825	872,164	1,107,800	18.3 %
Total General Revenue Fund Revenue²	\$5,503,239	\$5,162,463	\$5,802,899	\$5,866,932	\$6,753,603	\$6,041,700	100.0 %

¹ See "General Revenue Fund - Statement of Revenue, Expenditure and Accumulated Deficit" commencing on page 36.

² The amount shown for the 2001 Actual includes the final transfer of the SLGA retained earnings of \$699.8 million into the General Revenue Fund.

Total General Revenue Fund revenue for fiscal year 2001 increased by \$896.7 million, or 15.3 per cent, from fiscal year 2000 to \$6,573.6 million. Total General Revenue Fund revenue for fiscal year 2002 is estimated at \$6,041.7 million, a decrease of \$711.9 million, or 10.5 per cent, from fiscal year 2001.

Taxation. Provincial taxes include personal and corporate income taxes, corporate capital tax and sales, tobacco, fuel and other taxes. Tax revenue is estimated to total \$3,178.5 million, or 52.6 per cent, of total General Revenue Fund revenue for fiscal year 2002, a decrease of \$23.7 million, or 0.7 per cent, from fiscal year 2001. This decrease is largely attributable to the continuation of the personal tax reform announced in the 2000-01 Budget and lower corporation income tax revenue due to 2001-02 Budget initiatives, partly offset by increases in sales, corporate capital and fuel tax revenue.

Non-Renewable Resources. Non-renewable resource revenue is collected by the Government in respect of the production of crude oil, natural gas, potash, uranium and other minerals. Non-renewable resource revenue is estimated to total \$877.3 million, or 14.5 per cent, of General Revenue Fund revenue for fiscal year 2002, a decrease of \$415.4 million, or 32.1 per cent, from fiscal year 2001. The decrease is primarily due to an anticipated reduction in oil and natural gas revenues associated with lower price forecasts.

Transfers from Government Entities and Other Revenues. Transfers from Government entities and other revenues include dividends from Provincial Crown Entities, motor vehicle fees, charges for services, licences and permits and others. These revenues of the Province are estimated at \$878.1 million, or 14.6 per cent, of General Revenue Fund revenue for fiscal year 2002, a decrease of \$508.4 million, or 36.7 per cent, from the prior year. The decrease primarily reflects the final transfer of the SLGA's retained earnings of \$699.8 million into the General Revenue Fund in 2001.

Transfers from Crown Entities have been principally from Crown Investments Corporation of Saskatchewan ("CIC") and the SLGA. The Government determines the timing and level of transfers from CIC to the extent of available income or surplus. The Budget Estimate includes provision for a CIC transfer of \$200.0 million in fiscal year 2002 as compared to the decision not to take a dividend in fiscal year 2001. In fiscal year 2001, General Revenue Fund revenues included all of the annual SLGA profits. For 2002, this amounts to an estimated \$312.7 million.

Transfers from the Federal Government. Transfers from the Government of Canada consist of payments made to the Province to assist in financing a number of programs. Transfer payments from the federal government amounted to \$872.2 million in fiscal year 2001. These transfers are estimated to total \$1,107.8 million, or 18.3 per cent, of General Revenue Fund revenue in fiscal year 2002, an increase of \$235.6 million, or 27.0 per cent, from the prior year.

One component of federal transfer payments to Saskatchewan is the equalization payments which are made to those provinces that have a below average capacity to raise revenue based on a five-province standard. Equalization payments received by the Government in fiscal year 2001 totalled \$175.2 million and are estimated at \$377.0 million for fiscal year 2002. The increase is largely due to the forecasted decline in non-renewable resource revenues for fiscal year 2002. The federal government and the provinces completed a review in fiscal year 1999 of the arrangements under which equalization payments are made by the federal government to the provinces. In February, 1999, the federal government announced a five-year renewal of equalization entitlements to fiscal year 2004, effective April 1, 1999.

Unconditional federal transfer payments made under the Canada Health and Social Transfer ("CHST") arrangements are authorized by the *Federal-Provincial Fiscal Arrangements Act, 1977*. The CHST is a federal program that provides "block funding" to all provinces in support of health care, post-secondary education and social assistance. There is no link between provincial expenditures and the CHST. The CHST is estimated to amount to \$594.0 million for fiscal year 2002, an increase of \$41.6 million, or 7.5 per cent, from the 2001 amount of \$552.4 million. This increase relates to the federal government's announcement on September 11, 2000 to invest \$21.1 billion nationally over five years for the financing of provincial social programs through the CHST, beginning in 2001-02.

General Revenue Fund Expenditure

The following table provides a breakdown of the General Revenue Fund budgetary expenditure on government programs and services for the five fiscal years ended March 31, 2001, and includes the Budget Estimate for fiscal year 2002.

General Revenue Fund Expenditure¹ (unaudited)

	Fiscal Year Ended March 31					Budget Estimate 2002	Percentage of Total Expenditure 2002
	1997	1998	1999 (Thousands)	2000	2001		
Agriculture and Food	\$ 326,148	\$ 203,819	\$ 329,258	\$ 337,797	\$ 221,481	\$ 337,103	5.3 %
Municipal Affairs and Housing	185,425	181,647	168,248	178,357	181,060	170,778	2.7
Education and Post-Secondary Education	886,161	929,796	998,504	1,031,846	1,110,042	1,126,409	17.9
Finance	160,432	167,159	180,206	186,139	197,911	212,318	3.4
Finance:							
Servicing the Public Debt	794,150	754,598	744,724	696,089	664,092	640,500	10.2
Health	1,608,005	1,877,217	1,774,816	1,955,736	2,075,850	2,207,228	35.0
Highways and Transportation	170,222	212,888	232,347	235,857	273,307	311,692	5.0
Justice	185,425	197,078	221,470	228,748	232,207	235,376	3.7
Environment and Resource Management	101,924	97,823	165,469	147,392	129,204	170,022	2.7
Social Services	525,540	535,968	569,239	577,886	578,574	588,492	9.3
Other Expenditures	152,857	169,258	190,955	197,606	257,384	302,706	4.8
Total	\$5,096,289	\$5,127,251	\$5,575,036	\$5,773,453	\$5,920,912	\$6,302,624	100.0 %

¹ See "General Revenue Fund - Statement of Revenue, Expenditure, and Accumulated Deficit" commencing on page 36.

In fiscal year 2002, 70.2 per cent of the General Revenue Fund estimated total expenditure is for transfer payments to individuals (e.g., social assistance) or organizations such as school boards, health boards and municipalities for their operating, pension and capital requirements. Government operations account for 14.0 per cent of the estimated expenditure, 2.8 per cent is for government owned assets and infrastructure (primarily highways) and 2.8 per cent for pension expenses for government employees. The remaining 10.2 per cent of the estimated total expenditure is for interest on the public debt. General Revenue Fund expenditure does not include the cost of servicing the debt incurred by the Government on behalf of Crown entities which are responsible for reimbursing the General Revenue Fund.

Agriculture and Food. The department's estimated total expenditure for fiscal year 2002 is \$337.1 million, an increase of \$115.6 million, or 52.2 per cent, from fiscal year 2001 actual expenditure. The increase is mainly attributable to \$95.0 million for a one-time farm income support initiative (to be funded from the FSF), \$11.0 million for farm adaptation programs and a \$6.4 million increase for crop insurance premiums.

Municipal Affairs and Housing. This department provides financial and direct services to urban, rural and northern municipalities in the Province. The department's estimated total expenditure for fiscal year 2002 is \$170.8 million, down \$10.3 million, or 5.7 per cent, from actual expenditure for fiscal 2001. The decrease mainly reflects a transfer of gaming funds to other departments (\$19.5 million) partially offset by an increase for the Canada Saskatchewan Infrastructure Program (\$12.0 million).

Education and Post-Secondary Education. The combined estimated total expenditure for fiscal year 2002 is \$1.126 billion, an increase of \$16.4 million, or 1.5 per cent, from fiscal year 2001 actual expenditure. The increase reflects increased operating grants to K-12 school boards and increased operating funding to post-secondary institutions.

Finance. The department's estimated total expenditure for fiscal year 2002 is \$212.3 million, an increase of \$14.4 million, or 7.3 per cent, from actual expenditure for fiscal 2001. The increase is due primarily to one-time costs for the replacement of a central financial system and increased pension and benefit costs.

Servicing the Public Debt. Expenditure for servicing the public debt is estimated to decrease to \$640.5 million in fiscal year 2002 from the actual expenditure of \$664.1 million in fiscal year 2001. The debt servicing expenditure is estimated to account for 10.2 per cent of the total General Revenue Fund expenditure in fiscal year 2002, down from 11.2 per cent in fiscal year 2001.

Health. The department provides leadership and funding to 32 health districts and other provincial agencies who deliver a broad range of acute, emergency, long-term/supportive care, home and community-based care and health promotion services. The department is also responsible for a number of provincial-based programs including physician, prescription drug and laboratory services. The department's estimated total expenditure for fiscal year 2002 is \$2.207 billion, an increase of \$131.6 million, or 6.3 per cent, from actual expenditure for fiscal 2001. The increase in expenditure was primarily associated with collective bargaining on physician settlements, program utilization growth and increased funding for Early Childhood Development and Primary Health Care initiatives. (For additional information, refer to The Action Plan for Saskatchewan Health Care commencing on page 20.)

Highways and Transportation. Highways and Transportation's total estimated expenditure for fiscal year 2002 is \$311.7 million, an increase of 14 per cent or \$38.4 million from fiscal year 2001 actual expenditure. The increase reflects the first year of the Province's three-year commitment to provide an incremental \$150 million for highway construction and preservation which will be funded from the FSF.

Justice. Justice's estimated total expenditure for fiscal year 2002 is \$235.4 million, an increase of \$3.2 million, or 1.4 per cent, from actual expenditure for fiscal 2001. The increase primarily reflects increased funding for police services and adult corrections.

Environment and Resource Management. The department is responsible for the management, enhancement and protection of Saskatchewan's natural and environmental resources. The department's estimated total expenditure for fiscal year 2002 is \$170.0 million, an increase of \$40.8 million, or 31.6 per cent, from fiscal year 2001 actual expenditure. The increase mainly reflects the creation of a one-time, \$40.0 million Forest Fire Contingency Fund, to be funded from the FSF, which will provide support in the event of an extreme forest fire season.

Social Services. Social Services is comprised of a comprehensive range of programs that include social assistance, child care services, services for persons with disabilities and other community services. In fiscal year 2002, estimated total expenditure is \$588.5 million, an increase of \$9.9 million, or 1.7 per cent, from actual expenditure for fiscal 2001. The increase is primarily due to wage increases for workers with community-based organizations (\$5.2 million) and expanded benefits through the Saskatchewan Employment Supplement (\$5.0 million).

Other Expenditures. The other category includes expenditures for economic development, energy and mines and water development among others. It also includes \$30 million for the second year of the four year, \$120 million Centenary Fund which will be allocated for special infrastructure projects and will be funded from the FSF.

Transfers To/From The Fiscal Stabilization Fund

The 2000-01 Budget established the Fiscal Stabilization Fund (the "FSF") to safeguard the fiscal position of the Province from year to year. The target level of the FSF over the long term is 5 per cent of the prior year's GRF revenue and transactions to and from the FSF are completely transparent. The FSF has been established through legislation with an initial appropriation from the GRF of \$775.0 million in 2000-01. Transfers from the FSF in fiscal year 2002 are estimated to be \$263.7 million and will be used to fund exceptional spending such as agriculture and infrastructure programs leaving an estimated balance of \$511.3 million at the end of the year.

The following table displays transfers to and from the FSF for the five fiscal years ended March 31, 2001 and the estimated transfers for fiscal year 2002. Transfers into the FSF are shown as a positive number and transfers from the FSF are shown as a negative number.

Transfers to (from) the Fiscal Stabilization Fund

	Fiscal Year Ended March 31					Budget Estimate
	1997	1998	1999	2000	2001	2002
	(Thousands)					
Fiscal Stabilization Fund.....	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 775,000	\$ (263,700)

General Revenue Fund Investing Activities

Investing activities of the General Revenue Fund include loans to and investments in Crown entities, other organizations, individuals and agricultural land held for resale. Cash provided by investing activities for fiscal year 2001 was \$125.3 million as compared to \$87.1 million provided in fiscal year 2000. Cash required for investing activities for fiscal year 2002 is estimated at \$58.6 million. The change in 2001 related primarily to changes in loans to Crown corporations and in other loans. The change estimated for 2002 relates primarily to sinking fund contributions.

Financing and Debt Management

Saskatchewan's financing activities involve the raising of funds through the issue and sale of Province of Saskatchewan securities, changes in deposits held and changes in cash and temporary investments. Funds raised are used to assist in the financing of the capital budgets of, and to provide a temporary credit facility for, Crown corporations as well as for general government purposes (which includes General Revenue Fund operations and other non-Crown corporation agencies). Crown corporations are responsible for reimbursing the General Revenue Fund for the costs of servicing the interest and principal associated with debt borrowed on their behalf. In addition to direct borrowing in the name of the Province, the Government provides loan guarantees for certain purposes such as bonds issued in the name of Crown corporations that are offered for sale to Saskatchewan residents.

At March 31, 2001, gross debt of the General Revenue Fund amounted to \$11,761.1 million as compared to \$11,867.9 million at March 31, 2000. Approximately 33 per cent of the gross debt of the General Revenue Fund at March 31, 2001, was reimbursable from and was incurred for Crown corporations. Approximately 67 per cent of the General Revenue Fund gross debt at March 31, 2000, was incurred for general government purposes.

Approximately 79 per cent of the gross debt of the General Revenue Fund was denominated in Canadian dollars while about 21 per cent was denominated in U.S. dollars at March 31, 2001. Included in the debt denominated in Canadian dollars are certain financing transactions that involved borrowing in foreign currencies and swapping or hedging the liability into Canadian dollars to eliminate the foreign exchange rate risk to the General Revenue Fund. (Foreign exchange adjustments resulted in an increase in Gross Debt of \$191.3 million at March 31, 2001, compared to a decrease of \$86.0 million at March 31, 2000).

Securities issued and sold include Province of Saskatchewan promissory notes and debentures. At March 31, 2001, promissory notes and debentures outstanding were \$633.1 million and \$11,128.0 million, respectively. Promissory notes and debentures outstanding at March 31, 2000, were \$360.0 million and \$11,507.9 million, respectively.

During fiscal year 2001, the Government issued and sold \$1,442.9 million in debentures and increased promissory notes by \$34.9 million for general government purposes. During the same period, the Government redeemed outstanding debentures issued for general government purposes totalling \$1,597.4 million.

During the year, promissory notes were increased by \$238.2 million and \$224.3 million in debentures were issued and sold for the purposes of Crown corporations. Redemptions of debentures issued for Crown corporations amounted to \$641.0 million during fiscal 2001.

The Government's sinking funds totalled \$876.6 million at March 31, 2001. Contributions to the Government's sinking funds amounted to \$77.3 million in fiscal year 2001.

The following table sets forth the total debt of the General Revenue Fund (including guarantees) for the five fiscal years ended March 31, 2001.

	Total Debt ¹				
	At March 31				
	1997	1998	1999	2000	2001
	(Thousands)				
Promissory Notes					
(for the purpose of)					
Crown Corporations ²	\$ 142,833	\$ 78,384	\$ 59,275	\$ 56,922	\$ 295,134
General Government Purposes ³	45,627	85,176	160,725	303,078	337,966
Total⁴	188,460	163,560	220,000	360,000	633,100
Debentures					
(for the purpose of)					
Crown Corporations ²	4,618,770	4,416,136	4,054,992	3,880,826	3,553,176
General Government Purposes ^{3,4}	8,248,873	8,049,299	7,833,320	7,627,072	7,574,789
Total	12,867,643	12,465,435	11,888,312	11,507,898	11,127,965
Gross Debt	13,056,103	12,628,995	12,108,312	11,867,898	11,761,065
Less: Equity in Sinking Funds					
(for the purpose of)					
Crown Corporations	573,067	812,775	686,251	594,097	369,348
General Government Purposes ³	197,115	262,474	339,754	402,480	507,276
Total	770,182	1,075,249	1,026,005	996,577	876,624
	12,285,921	11,553,746	11,082,307	10,871,321	10,884,441
Guaranteed Debt	576,683	496,087	426,818	349,040	312,009
Total Debt	\$ 12,862,604	\$ 12,049,833	\$ 11,509,125	\$ 11,220,361	\$ 11,196,450

¹ Debt repayable in foreign currency has been restated in Canadian dollar equivalents based on the exchange rate in effect on March 31 of each year.

² These enterprises are responsible for reimbursing the General Revenue Fund for the repayment of principal and interest.

³ Debt for General Government Purposes is incurred for the general purposes of, and is repayable out of, the General Revenue Fund.

⁴ Debentures for the purposes of Investment in Agricultural Land, Federal/Municipal, Union Hospital Debt and University of Saskatchewan are included in debentures for General Government Purposes rather than in the Other category shown in previous years. Prior year figures have been restated accordingly.

The following table sets forth the allocation of gross debt of the General Revenue Fund for the five fiscal years ended March 31, 2001.

Gross Debt by Allocation¹

	At March 31				
	1997	1998	1999 (Thousands)	2000	2001
Crown Corporations					
Agricultural Credit Corporation of Saskatchewan	\$ 270,208	\$ 270,208	\$ 235,551	\$ 235,551	\$ 66,951
Crown Investments Corporation of Saskatchewan	758,434	669,602	301,195	276,195	276,195
Information Services Corporation of Saskatchewan	0	0	0	6,930	20,246
Municipal Financing Corporation of Saskatchewan	79,667	79,667	79,667	87,491	59,575
Saskatchewan Housing Corporation	263,819	202,818	178,845	174,373	157,106
Saskatchewan Opportunities Corporation	68,433	88,684	103,495	126,706	152,065
Saskatchewan Power Corporation	2,109,078	1,976,737	1,936,900	1,775,707	1,797,696
Saskatchewan Telecommunications Holding Corporation	436,584	432,361	486,921	449,155	461,852
Saskatchewan Water Corporation	42,830	41,293	51,643	58,790	41,435
SaskEnergy Incorporated	732,550	733,150	738,050	746,850	815,187
Total Crown Corporations	4,761,603	4,494,520	4,114,267	3,937,748	3,848,310
General Government Purposes^{2,3}	8,294,500	8,134,475	7,994,045	7,930,150	7,912,755
Gross Debt	\$ 13,056,103	\$ 12,628,995	\$ 12,108,312	\$ 11,867,898	\$ 11,761,065

¹ Debt repayable in foreign currency has been restated in Canadian dollar equivalents based on the exchange rate in effect on March 31 of each year.

² Debt for General Government Purposes is incurred for the general purposes of, and is repayable out of, the General Revenue Fund.

³ Debentures for the purposes of Investment in Agricultural Land, Federal/Municipal, Union Hospital Debt and University of Saskatchewan are included in debentures for General Government Purposes rather than in the Other category shown in previous years. Prior years figures have been restated accordingly.

The following table sets forth the composition of debentures issued and redeemed by the General Revenue Fund for the five fiscal years ended March 31, 2001.

Composition of Debentures Issued and Redeemed¹
(unaudited)

	Fiscal Year Ended March 31				
	1997	1998	1999	2000	2001
	(Millions)				
Total Debentures Issued	\$ 465.8	\$ 466.2	\$ 618.1	\$ 1,205.4	\$ 1,667.2
Total Debentures Redeemed	1,417.1	944.5	1,356.4	1,580.1	2,238.4
Increase (Decrease) in Debentures	\$ (951.3)	\$ (458.3)	\$ (738.3)	\$ (284.7)	\$ (571.2)

¹ All foreign currency debt has been stated in the equivalent Canadian funds based on the exchange rate in effect on March 31 of each year.

The following table sets forth the composition of outstanding debentures of the General Revenue Fund for the five fiscal years ended March 31, 2001.

Composition of Debentures Outstanding¹

	Fiscal Year Ended March 31				
	1997	1998	1999	2000	2001
	(Millions)				
Debentures Outstanding					
To the Public	\$ 11,344.2	\$ 11,011.3	\$ 10,511.1	\$ 10,166.9	\$ 9,798.6
To the Canada Pension Plan	1,522.1	1,452.8	1,376.8	1,340.8	1,329.3
Other Obligations	1.3	1.3	0.4	0.2	0.1
Total	\$ 12,867.6	\$ 12,465.4	\$ 11,888.3	\$ 11,507.9	\$ 11,128.0

¹ All foreign currency debt has been stated in the equivalent Canadian funds based on the exchange rate in effect on March 31 of each year.

The Canada Pension Plan ("CPP") is a compulsory national pension plan in which residents of all provinces, except Quebec, participate. Prior to January 1, 1998, surplus contributions to the CPP were invested in non-marketable securities issued by participating provinces, provincially guaranteed Crown corporations and the federal government. The rate of interest charged by the CPP was generally lower than the rate available to the Saskatchewan government in the public market for debt of comparable maturity as CPP rates were based on the federal government long term, public market borrowing costs.

In 1997, the federal government passed legislation which took effect January 1, 1998 and changed the nature of CPP borrowing. The legislation specifies that surplus CPP funds must be invested in a diversified portfolio of securities, at arm's length from government. While provinces continue to have access to CPP funds, they are now required to pay rates comparable to their own cost of borrowing, rather than the federal long term rate.

The amount of loan capital available to a province continues to be based on the proportion of total contributions from that province. Provincial securities sold to the CPP remain payable 20 years after their respective dates of issue, are not negotiable, transferable or assignable, but may be redeemable in whole or in part, before maturity, under certain circumstances. In addition, these securities are callable in whole or in part, before maturity, at the option of the Province.

In fiscal years 1997 and 1998, no surplus funds were available for loan from the CPP to the Government of Saskatchewan.

"Other Obligations" represent monies loaned by the federal government to the Government on the condition that the money would be reloaned to Saskatchewan municipalities under the identical terms and conditions. The Government, therefore, owns securities issued by Saskatchewan municipalities that match the obligations to the federal government.

The following table summarizes various Provincial Government debt indicators at year end for the five fiscal years ended March 31, 2001.

	Debt Indicators (unaudited)				
	At March 31				
	1997	1998	1999	2000	2001
Total Debt of the General Revenue Fund					
Per Capita ¹	\$ 12,586	\$ 11,756	\$ 11,228	\$ 10,978	\$ 11,020
As a Percentage of Saskatchewan Gross Domestic Product ²	44.5%	41.4%	40.0%	37.5%	34.0%
Gross Debt of the General Revenue Fund - General Government Purpose Portion³					
Per Capita ¹	\$ 8,116	\$ 7,936	\$ 7,799	\$ 7,759	\$ 7,788
As a Percentage of General Revenue Fund Revenue	150.7%	157.6%	142.7%	135.4%	117.2%
As a Percentage of Saskatchewan Gross Domestic Product ²	28.7%	27.9%	27.8%	26.5%	24.0%
Annual Interest Payments on the General Government Purpose Portion of Gross Debt of the General Revenue Fund					
As a Percentage of General Revenue Fund Revenue	14.4%	14.6%	13.3%	11.9%	9.8%

¹ Total debt and gross debt per capita for 1997 through 2001 is calculated by dividing the debt at March 31 by the population of the Province on July 1 of the same calendar year.

² Total Debt and gross debt as a percentage of Saskatchewan's GDP is calculated by dividing the debt at March 31 by the Province's current GDP for the previous calendar year.

³ Gross debt of the General Revenue Fund - General Government Purpose Portion does not include debt incurred by the General Revenue Fund on behalf of Crown entities for which the Crown entities are responsible for reimbursing the General Revenue Fund.

The following table sets forth the debt maturity schedule, by principal amount and currency of payment, of the General Revenue Fund gross debt at March 31, 2001.

Debt Maturity Schedule			
Fiscal Year ending March 31	Canadian Dollar Debt	U.S. Dollar Debt (Canadian Dollars) ¹ (Thousands)	Total (Canadian Dollars)
2002	\$ 1,411,085	\$ —	\$ 1,411,085
2003	396,350	—	396,350
2004	459,971	78,870	538,841
2005	1,325,744	—	1,325,744
2006	903,928	—	903,928
1 - 5 years	\$ 4,497,078	\$ 78,870	\$ 4,575,948
2007-2011	2,827,438	306,016	3,133,454
2012-2016	1,037,332	788,700	1,826,032
2017-2021	123,711	788,700	912,411
2022-2026	430,000	473,220	903,220
2027-2031	410,000	—	410,000
1 - 30 years	\$ 9,325,559	\$ 2,435,506	\$ 11,761,065

¹ Debentures denominated in foreign currencies have been converted to Canadian dollars at the exchange rate in effect at March 31, 2001.
(U.S. dollars - \$1.5774)

The following table sets forth the General Revenue Fund debt characteristics at March 31, 2001.

	Debt Characteristics (unaudited)		
	As a Percentage of Total	Weighted Average Term To Maturity ¹ (years)	Weighted Average Interest Rate ²
Public Debentures ²	83.3%	9.85	7.74%
Canada Pension Plan Debentures	11.3%	6.64	10.99%
Promissory Notes	5.4%	0.07	5.01%
Gross Debt	100.0%	8.96 yrs.	7.96%

¹ Weighted by the total principal amount of each loan issue.

² Includes other debentures.

Interest on the General Revenue Fund debt amounted to \$1,020.2 million in fiscal year 2001. Of this amount, \$378.1 million (\$4.4 million short term and \$373.7 million long term) was reimbursed by the Crown corporations. The non-reimbursable portion of gross interest expense was \$642.1 million.

Debt guaranteed by the General Revenue Fund amounted to \$312.0 million at March 31, 2001, compared to \$349.0 million at March 31, 2000. This decrease in the level of guaranteed debt was due primarily to a decrease of \$25.7 million in NewGrade Energy Inc. ("NewGrade") guaranteed debt outstanding due to debt reduction (\$93.0 million debt outstanding at March 31, 2001) and a decrease of \$7.8 million in Saskferco Products Inc. ("Saskferco") guaranteed debt outstanding due primarily to debt reduction (\$142.8 million debt outstanding at March 31, 2001).

The following table sets forth this guaranteed debt for the five fiscal years ended March 31, 2001.

	Guaranteed Debt				
	1997	1998	At March 31 1999 (Millions)	2000	2001
Guaranteed Debt	\$ 576.7	\$ 496.1	\$ 426.8	\$ 349.0	\$ 312.0

Guaranteed debt is reported net of loss provisions (2001 - \$1.0 million; 2000 - \$0.8 million; 1999 - \$0.3 million; 1998 - \$0.6 million; 1997 - \$4.6 million).

The major decreases in guaranteed debt between March 31, 1997, and March 31, 2001, are due to the maturity of Telebonds (\$33.8 million), the financial restructuring of, and subsequent debt reduction by, NewGrade (\$103.8 million) and the reduction of Saskferco debt (\$93.9 million).

Authority for the Government to guarantee the debt of others must be provided in specific legislation since no general statutory authority exists. *The Financial Administration Act, 1993* provides that no department, board, commission or agent of the Government shall provide a guarantee or a program of guarantees of loans or other liabilities by which guarantee or program of guarantees the Government of Saskatchewan would be liable to make any payment with respect to the loans or liabilities, unless the guarantee or program of guarantees, as the case may be, has received the prior approval of the Minister of Finance. Certain Crown corporations located within the Province are separately authorized to provide guarantees of the debt of others. Such guarantees are not contingent liabilities of the General Revenue Fund, and the amounts so guaranteed are not included in the above table or in the financial statements of the General Revenue Fund.

The Government of Saskatchewan provided Royal Trust with a guarantee and indemnity in 1983 respecting the liability and obligations of CIC MIC pursuant to each of two lease agreements of CIC Mining Corporation (previously the Potash Corporation of Saskatchewan Mining Limited) for the purchase of mining equipment. The Government has been released from all such guarantees but remains contingently liable for indemnity related to damages caused by the equipment and provisions governing the payment of taxes for the period during which its guarantees to Royal Trust were in place.

Debt Record

The Government has always paid the full face amount of the principal of and interest on every direct obligation issued by it and every indirect obligation on which it has been required to meet its guarantee, all promptly when due in the lawful currency of the country where payable at the time of payment thereof, subject during wartime to any applicable laws and regulations forbidding trading with the enemy.

Other Public Sector Debt

The General Revenue Fund financial statements do not disclose the debt of all public entities located within the Province. Responsibility for a variety of provincial functions and powers has been transferred to local government bodies, including district health boards, municipalities, school boards and certain other local authorities. District health boards may raise money for their purposes through certain service charges. The boards have power to borrow money up to a prescribed amount above which the approval of the Minister of Health is required. Other local bodies raise money for their purposes, in the case of municipalities by way of direct levy on persons or property within their jurisdiction or, in other cases, by requisition on municipalities, and may have power to borrow money, subject to the approval of the Saskatchewan Municipal Board. The Saskatchewan Municipal Board is an autonomous regulatory body established by Provincial statute with broad powers to regulate local government activity.

Notwithstanding that significant financial assistance for operating and capital expenditures is made available to local government bodies by appropriation of the Legislative Assembly, the activities of local government bodies, including borrowing, are conducted independently of the Government. The Government is not directly or contingently liable for debt incurred by these bodies (with the exception of certain debt of certain district health boards), and, relative to the gross debt of the General Revenue Fund and the GDP of the Province, debt incurred by these bodies is not significant.

GENERAL REVENUE FUND SUPPLEMENTARY FINANCIAL INFORMATION

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The information contained in the following tables and notes, except for information marked as unaudited, has been derived from the financial statements of the General Revenue Fund, which have been examined by the Provincial Auditor for the five years ended March 31, 2001.

Government of the Province of Saskatchewan

General Revenue Fund Statement of Financial Assets, Liabilities and Accumulated Deficit¹⁻⁴

	At March 31				
	1997	1998	1999	2000	2001
	(Thousands)				
Financial Assets					
Cash and temporary investments	\$ 337,688	\$ 256,260	\$ 335,048	\$ 452,222	\$ 361,328
Prepaid expenditures	2,080	2,096	2,046	2,185	2,137
Accounts receivable	368,109	303,108	304,167	395,342	432,412
Agricultural land held for resale	118,231	117,044	115,509	113,940	112,653
Deferred charges	57,679	46,915	36,074	33,251	57,161
Deferred foreign exchange loss	110,696	139,849	217,824	162,074	234,326
Loans to Crown corporations	4,188,536	3,681,745	3,428,016	3,343,651	3,478,962
Other loans	181,501	48,254	30,894	35,062	37,675
Equity investment in Crown Investments Corporation of Saskatchewan	1,447,452	1,447,452	1,362,452	1,362,452	1,362,452
Total Financial Assets	6,811,972	6,042,723	5,832,030	5,900,179	6,079,106
Liabilities					
Accounts payable and accrued liabilities	1,016,771	926,509	919,148	784,249	740,897
Deposits held	659,590	671,243	912,071	1,242,391	1,391,145
Unearned revenue	64,793	71,116	70,533	70,768	73,482
Debt (net of sinking fund equity)	12,285,921	11,553,746	11,082,307	10,871,321	10,884,441
Total Liabilities	14,027,075	13,222,614	12,984,059	12,968,729	13,089,965
Accumulated Deficit	\$ (7,215,103)	\$ (7,179,891)	\$ (7,152,029)	\$ (7,068,550)	\$ (7,010,859)

¹ The Government also prepares summary financial statements. The Government's summary financial statements provide a full accounting of the financial affairs and resources of all entities for which the Government is responsible. The financial transactions of the General Revenue Fund and provincial Crown corporations, agencies, boards, and commissions are included in the Government's summary financial statements. The Government's summary financial statements are included in this document commencing at page 62.

² In his opinion on the 1997, 1998, 1999, 2000 and 2001 General Revenue Fund financial statements, the Provincial Auditor directs the reader to refer to the Government's summary financial statements to understand and assess the Government's management of public financial affairs and resources as a whole.

³ The General Revenue Fund's financial statements for 1997 and 1998 are accompanied by a report of the Provincial Auditor which provides that, except for the effects of the failure to record pension liabilities, the financial statements present fairly, in all material respects, the financial position of the General Revenue Fund as at March 31. Had pension liabilities been recorded, the effect on liabilities and accumulated deficit, and expenditures and surplus is:

	(millions)	
	1997	1998
Increase in liabilities and accumulated deficit	\$ 3,530	\$ 3,672
Increase in expenditures and decrease in surplus	\$ 102	\$ 142

⁴ The General Revenue Fund's financial statements for 1999 are accompanied by a report of the Provincial Auditor which provides that, except for the effects of the following reservations, the financial statements present fairly, in all material respects, the financial position of the General Revenue Fund as at March 31, 1999:

a. It is the auditor's opinion that pension liabilities should be recorded in the financial statements. Had pension liabilities been recorded, liabilities and accumulated deficit would increase by \$3,749.0 million and expenditure would increase and surplus for the year would decrease by \$77.0 million.

b. The Fund has recorded the entire estimated cost of a two year agricultural income disaster assistance program as an expenditure for the year ended March 31, 1999. It is the auditor's opinion that the Fund should only record the estimated cost of the program for the 1998 calendar year. Had the Fund recorded this amount, the financial assets and surplus for the year would increase by \$70.0 million and expenditure and accumulated deficit would decrease by \$70.0 million.

⁵ The General Revenue Fund's financial statements for 2000 are accompanied by a report of the Provincial Auditor which provides that, except for the effects of the following reservations, the financial statements present fairly, in all material respects, the financial position of the General Revenue Fund as at March 31, 2000:

a. It is the auditor's opinion that pension liabilities should be recorded in the financial statements. Had pension liabilities been recorded, liabilities and accumulated deficit would increase by \$3,801 million and expenditure would increase and surplus for the year would decrease by \$52 million.

b. The estimated total cost for an agricultural disaster assistance program for the 1998 and 1999 calendar years is \$175 million. The Fund recorded \$35 million (1999 - \$140 million) as an expenditure for the year ended March 31, 2000. It is the auditor's opinion that the Fund should have recorded \$105 million (1999 - \$70 million) as an expenditure for the year ended March 31, 2000. Had the Fund recorded this amount, the surplus for the year would decrease by \$70 million and expenditure would increase by \$70 million.

⁵ The General Revenue Fund's financial statements for 2001 are accompanied by a report of the Provincial Auditor which provides that, except for the effects of the following reservations, the financial statements present fairly, in all material respects, the financial position of the General Revenue Fund as at March 31:

- a. It is the auditor's opinion that pension liabilities should be recorded in the financial statements. Had pension liabilities been recorded, liabilities and accumulated deficit would increase by \$3,913 million and expenditure would increase and surplus for the year would decrease by \$112 million.
- b. The financial statements show a liability of \$775 million owed to the Fiscal Stabilization Fund and an expenditure of \$775 million. It is the auditor's opinion that, instead of recording an expenditure of \$775 million, the financial statements should record an asset of \$775 million owed from the Fiscal Stabilization Fund. Had this been done, financial assets and surplus for the year would increase by \$775 million and expenditure and the accumulated deficit would decrease by \$775 million.

(see accompanying notes)

Government of the Province of Saskatchewan

General Revenue Fund Statement of Revenue, Expenditure and Accumulated Deficit¹

For the Year Ended March 31

	1997	1998	1999	2000	2001
	(Thousands)				
Revenue					
Taxation					
Corporation capital	\$ 242,304	\$ 267,792	\$ 232,618	\$ 293,351	\$ 342,242
Corporation income	231,820	217,116	200,079	277,226	333,299
Fuel	365,452	376,933	354,597	369,010	345,136
Individual income	1,277,191	1,327,582	1,448,043	1,446,169	1,255,409
Sales	840,962	753,043	742,846	660,314	736,563
Tobacco	116,869	123,631	122,681	123,886	122,012
Other	47,066	48,526	53,287	52,903	67,573
Total Taxes	3,121,484	3,114,623	3,154,151	3,222,839	3,202,234
Non-renewable Resources					
Natural gas	53,017	44,050	65,944	91,784	239,305
Oil	690,720	488,712	304,501	640,097	799,049
Potash	87,617	189,487	202,464	169,452	199,296
Other	76,290	59,211	49,307	41,817	55,064
Total Non-renewable Resources	907,644	781,460	622,216	943,150	1,292,714
Transfers from Government Entities					
Crown Investments Corporation of Saskatchewan	50,000	50,000	100,000	125,000	0
- Special Dividend	365,699	0	100,000	0	0
Liquor and Gaming Authority - Net Income	0	350,000	330,000	0	316,412
Liquor and Gaming Authority - Retained Earnings	0	0	0	0	699,800
Other enterprises and funds	10,238	17,794	21,828	35,516	39,175
Total Transfers from Government Entities	425,937	417,794	551,828	160,516	1,055,387
Other Own-source Revenue					
Fines, forfeits and penalties	11,072	12,658	12,803	11,701	12,732
Interest, premium, discount and exchange	22,065	30,986	35,381	34,914	55,458
Motor vehicle fees	94,606	98,754	108,076	113,300	113,844
Other licences and permits	42,065	37,894	36,789	46,446	42,011
Sales, services and service fees	82,185	88,802	92,030	89,327	73,735
Transfers from other governments	8,622	5,798	8,942	12,077	15,970
Other	27,034	20,575	19,350	13,837	17,354
Total Other Own-source Revenue	267,649	295,467	313,371	321,602	331,104
Total Own-source Revenue	4,742,694	4,609,344	4,641,566	4,648,107	5,881,439
Transfers from the Federal Government					
Canada Health and Social Transfer	485,860	446,361	427,748	556,282	552,378
Equalization	175,915	8,258	441,944	541,598	175,247
Other	98,770	98,500	91,641	110,945	144,539
Total Transfers from the Federal Government	760,545	553,119	961,333	1,208,825	872,164
Total Revenue	\$ 5,503,239	\$ 5,162,463	\$ 5,602,899	\$ 5,856,932	\$ 6,753,603

(see accompanying notes)

Government of the Province of Saskatchewan

General Revenue Fund Statement of Revenue, Expenditure and Accumulated Deficit (concluded)

For the Year Ended March 31

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
	(Thousands)				
Expenditure					
Executive Branch of Government					
Agriculture and Food	\$ 326,148	\$ 203,819	\$ 329,258	\$ 337,797	\$ 221,481
Centenary Capital Fund	0	0	0	0	29,954
Culture, Youth and Recreation	0	0	0	0	6,318
Economic and Co-operative Development	38,862	43,160	47,186	45,655	72,529
Education	541,317	543,663	559,420	568,596	581,635
Energy and Mines	14,881	16,100	17,617	17,332	18,880
Environment and Resource Management	101,924	97,823	165,469	147,392	125,356
Forest Fire Contingency	0	0	0	0	3,848
Executive Council	7,284	7,394	8,840	7,136	7,227
Finance	160,432	167,159	180,206	186,139	197,911
Health	1,608,005	1,677,217	1,774,616	1,955,736	2,025,833
Transition Fund	0	0	0	0	49,817
Highways and Transportation	170,222	212,888	232,347	235,857	273,307
Indian and Metis Affairs Secretariat	25,864	26,086	0	0	0
Intergovernmental and Aboriginal Affairs	3,886	4,919	33,878	29,153	34,653
Justice	185,425	197,078	221,470	228,748	232,207
Labour	8,982	9,226	10,803	11,151	12,637
Municipal Affairs, Culture and Housing	185,179	181,647	168,248	178,357	181,080
Post-Secondary Education and Skills Training	344,844	386,133	439,084	463,250	528,407
Public Service Commission	7,225	8,255	8,918	8,570	8,165
Saskatchewan Municipal Board	917	964	1,057	988	901
Saskatchewan Property Management Corporation	10,554	18,854	28,104	34,851	22,017
Saskatchewan Research Council	9,529	7,956	7,956	8,012	9,172
Saskatchewan Water Corporation	4,956	4,888	4,896	4,893	9,444
Social Services	525,420	535,968	569,239	577,886	578,574
Women's Secretariat	901	1,385	1,521	1,193	1,150
Legislative Branch of Government					
Chief Electoral Officer	0	0	915	6,757	1,187
Conflict of Interest Commissioner	0	0	0	79	90
Information and Privacy Commissioner	0	0	0	55	85
Legislative Assembly	15,294	15,851	17,355	15,070	15,737
Ombudsman and Children's Advocate	0	0	0	2,269	2,540
Provincial Auditor	4,288	4,220	4,314	4,442	4,698
Total Operating Expenditure	4,302,139	4,372,653	4,830,313	5,077,364	5,256,820
Operating Surplus	1,201,100	789,810	772,586	779,568	1,496,783
Finance - Servicing the Debt	(794,150)	(754,598)	(744,724)	(696,089)	(664,092)
Transfer to the Fiscal Stabilization Fund	0	0	0	0	(775,000)
Surplus for the Year	\$ 406,950	\$ 35,212	\$ 27,862	\$ 83,479	\$ 57,691
Accumulated Deficit, Beginning of Year	(7,622,053)	(7,215,103)	(7,179,891)	(7,152,029)	(7,068,550)
Accumulated Deficit, End of Year	<u>\$(7,215,103)</u>	<u>\$(7,179,891)</u>	<u>\$(7,152,029)</u>	<u>\$(7,068,550)</u>	<u>\$(7,010,859)</u>

See Notes 1-6 commencing on page 34.

(see accompanying notes)

Government of the Province of Saskatchewan
General Revenue Fund Statement of Investing Activities¹

For the Year Ended March 31					
	1997	1998	1999	2000	2001
	(Thousands)				
Receipts					
Loans					
Agricultural Credit Corporation of Saskatchewan	\$ 22,548	\$ 0	\$ 34,657	\$ 0	\$ 168,800
Crown Investments Corporation of Saskatchewan	35,000	88,832	368,407	25,000	0
Municipal Financing Corporation of Saskatchewan	0	0	0	0	27,916
Saskatchewan Crop Insurance Corporation	176,114	0	0	0	0
Saskatchewan Housing Corporation	23,485	61,001	30,473	46,140	27,803
Saskatchewan Opportunities Corporation	0	24,749	189	26,789	0
Saskatchewan Power Corporation	256,956	152,335	95,156	128,715	54,703
Saskatchewan Telecommunications Holding Corporation	104,262	22,153	64,700	33,196	89,693
Saskatchewan Water Corporation	0	1,537	530	559	17,355
SaskEnergy Incorporated	50,000	54,400	50,000	0	272,934
Other	70,139	148,961	35,849	10,507	13,198
Total Loan Receipts	738,504	553,968	679,961	270,906	672,002
Sinking Funds' Contributions Received from Crown Corporations	267,461	234,667	234,964	27,430	24,583
Other Investing Activities					
Equity Investment in Crown Investments Corporation of Saskatchewan	0	0	85,000	0	0
Other	2,035	956	1,485	1,488	1,357
Total Other Investing Activities	2,035	956	86,485	\$ 1,488	\$ 1,357
Total Receipts	\$ 1,008,000	\$ 789,591	\$ 1,001,410	\$ 299,824	\$ 697,942

(see accompanying notes)

Government of the Province of Saskatchewan

General Revenue Fund Statement of Investing Activities (concluded)

For the Year Ended March 31

	1997	1998	1999	2000	2001
	(Thousands)				
Disbursements					
Loans					
Information Services Corporation of Saskatchewan	\$ 0	\$ 0	\$ 0	\$ 6,930	\$ 13,316
Municipal Financing Corporation of Saskatchewan.....	0	0	0	7,824	0
Saskatchewan Housing Corporation.....	0	0	6,500	41,668	10,336
Saskatchewan Crop Insurance Corporation.....	31,317	0	0	0	0
Saskatchewan Opportunities Corporation.....	14,707	45,000	15,000	50,000	25,359
Saskatchewan Telecommunications Holding Corporation.....	0	14,700	110,000	1,000	90,000
Saskatchewan Water Corporation.....	20,000	0	10,880	7,706	0
SaskEnergy Incorporated.....	37,300	55,000	54,900	8,800	341,271
Other.....	58,476	16,014	20,836	15,538	15,032
Total Loan Disbursements	161,800	130,714	218,116	139,466	495,314
Sinking Funds' Contributions	307,825	275,932	277,395	73,157	77,252
Other Investing Activities	45	26	54	65	71
Total Disbursements	\$ 469,670	\$ 406,672	\$ 495,565	\$ 212,688	\$ 572,637
Net Receipts	\$ 538,330	\$ 382,919	\$ 505,845	\$ 87,136	\$ 125,305

¹ See Notes 1-6 commencing on page 34.

(see accompanying notes)

Government of the Province of Saskatchewan

General Revenue Fund Statement of Cash Flow¹

	For the Year Ended March 31				
	1997	1998	1999	2000	2001
	(Thousands)				
Operating Activities					
Surplus for the year	\$ 406,950	\$ 35,212	\$ 27,862	\$ 83,479	\$ 57,691
Add (deduct) non-cash items					
Amortization of foreign exchange gains and losses	(6,044)	3,954	9,173	5,973	14,095
Loss on loans and investments	436	524	2,148	1,009	(779)
Net change in non-cash operating activities	13,055	(8,305)	1,877	(223,155)	(101,570)
Earnings retained in sinking funds	(14,944)	(24,094)	(27,082)	(22,955)	(36,256)
Cash Provided by (Used for) Operating Activities	399,453	7,291	13,978	(155,649)	(66,819)
Investing Activities					
Loan Advances	(161,800)	(130,714)	(218,116)	(139,466)	(495,314)
Loan Repayments	738,504	553,968	675,961	270,906	672,002
Sinking funds' contributions received					
from Crown corporations	267,461	234,667	234,964	27,430	24,583
Contributions made to sinking funds	(307,825)	(275,932)	(277,395)	(73,157)	(77,252)
Other	1,990	930	86,431	1,423	1,286
Cash Provided by Investing Activities	538,330	382,919	505,845	87,136	125,305
Financing Activities					
Proceeds from debt	465,817	486,153	674,517	1,435,488	1,940,265
Repayment of debt	(1,485,204)	(969,444)	(1,356,380)	(1,580,121)	(2,238,399)
Increase in deposits held	341,850	11,653	240,828	330,320	148,754
Cash Provided by (Used for) Financing Activities	(677,537)	(471,638)	(441,035)	185,687	(149,380)
Increase (Decrease) in Cash and Temporary Investments	260,246	(81,428)	78,788	117,174	(90,894)
Cash and temporary investments beginning of year	77,442	337,688	256,260	335,048	452,222
Cash and Temporary Investments, End of Year	\$ 337,688	\$ 256,260	\$ 335,048	\$ 452,222	\$ 361,328

¹ See Notes 1-6 commencing on page 34.

(see accompanying notes)

**Government of the Province of Saskatchewan
General Revenue Fund Notes to the Financial Statements
For the Year Ended March 31, 2001**

1. Significant Accounting Policies

These financial statements are prepared using accounting principles appropriate for the public sector and reflect the following significant accounting policies:

(a) Reporting Entity

The General Revenue Fund is the general fund which receives all revenues unless otherwise specified by law. Spending from the General Revenue Fund is appropriated by the Legislative Assembly.

Other government entities such as special purpose funds, Crown corporations, and other agencies, report separately in other financial statements. Only financial transactions to or from these other entities are included in the General Revenue Fund. The net expenditures/recoveries for revolving funds' operations are charged to expenditure.

The Government's summary financial statements which include the financial activities of the General Revenue Fund and other government entities are provided separately.

(b) Basis of Accounting

The accrual basis of accounting is used and specifically expressed as follows:

Revenue

Except for corporate and personal income taxes which are recorded when received from the federal government, revenues are recorded on the accrual basis.

Government transfers are recognized as revenue in the period during which the transfer is authorized and any eligibility criteria are met.

Expenditure

Expenditures are recorded on the accrual basis except for pension costs which are recorded on the cash basis, and include the cost of tangible capital assets and inventories received during the year.

Government transfers are recognized as expenditures in the period during which the transfer is authorized and any eligibility criteria are met.

Transfers to and from the Fiscal Stabilization Fund

Transfers to and from the Fiscal Stabilization Fund are included in the determination of surplus for the year.

Assets

Financial assets are those assets on hand at the end of an accounting period which could provide resources to discharge existing liabilities or finance future operations.

Temporary investments are recorded at the lower of cost or market.

Agricultural land held for resale is valued at the lower of cost or net realizable value, on an aggregate basis.

Deferred charges include issue costs and net discounts or premiums incurred on the issue of long term debt. They are recorded at cost and amortized on a straight line basis over the remaining life of the debt issue.

Deferred foreign exchange loss includes unrealized foreign exchange gains and losses resulting from conversion of debt and sinking funds' investments held for general government purposes in a foreign currency, to the Canadian dollar equivalent at March 31. Unrealized foreign exchange gains and losses are amortized on a straight line basis over the remaining life of the debt issue. Realized foreign exchange gains or losses, resulting from transactions for general government purposes, are included in servicing the debt.

Loans to Crown corporations and *Other loans* generally have fixed repayment terms and are interest bearing. Short term loans to Crown corporations are recorded at par; all other loans are recorded at cost. Interest received on these loans is netted against interest paid on money borrowed for these loans.

Equity investment in Crown Investments Corporation of Saskatchewan is an advance to the corporation to form its equity capitalization and is recorded at cost.

Where there has been a loss in value that is other than a temporary decline, loans and equity investments are written down to recognize the loss.

Tangible capital assets and inventories, except for agricultural land held for resale, are recorded as an expenditure in the period acquired.

Liabilities

Reported liabilities include obligations to outside organizations and individuals as a result of transactions and events occurring prior to year end. They are the result of financial obligations to repay borrowings or to pay for goods and services acquired prior to year end, and of revenue, received or receivable, where goods or services will be delivered in the future.

Unearned revenue consists mainly of revenue for Crown mineral leases and motor vehicle fees that will be earned in a subsequent fiscal year.

Debt is issued for general government purposes and for Crown corporations. All debt is recorded at par.

Premiums, discounts, and issue costs incurred on debt issued for general government purposes are recorded as deferred charges and amortized on a straight line basis over the remaining life of the debt issue.

Certain debenture issues require contributions to a sinking fund. These obligations are recorded at principal less sinking fund balances where applicable. The General Revenue Fund is reimbursed by Crown corporations for all sinking fund contributions made on debt incurred on their behalf. Premiums and discounts on long term investments within the sinking fund are amortized by the type of security on a constant yield basis.

Debt issues and sinking funds' investments held in foreign currencies are converted to the Canadian dollar equivalent at the exchange rate in effect at March 31.

Interest, discounts, premiums and commissions on money borrowed for Crown corporations and others are netted against reimbursements by these entities.

Pension liabilities are not recorded in the financial statements. The General Revenue Fund accounts for pension payments on a cash basis.

Guaranteed debt includes guarantees of the Government made through specific agreements or legislation to repay promissory notes, bank loans, lines of credit, mortgages and other securities. Loss provisions on guaranteed debt are recorded when it is likely that a loss will occur. The amount of the loss provision represents the Government's best estimate of future payments less recoveries. The loss provision is recorded as a liability and an expenditure in the year determined and is adjusted as necessary to ensure it equals the expected payout of the guarantee.

2. Measurement Uncertainty

Uncertainty in the determination of the amount at which an item is recognized in financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonably possible amount.

Measurement uncertainty exists in these financial statements in the accrual of non-renewable resource royalties, and the federal government's Equalization and the Canada Health and Social Transfer. The uncertainty arises from factors such as price and production sensitivities in the royalty structures, and the effect on transfers from the federal government of changes in economic and demographic conditions in the Province and the country. Management considers that it is reasonably possible that changes in future conditions in the near term could require a material change in the amounts recognized. Near term is defined as a period of time not to exceed one year from the date of the financial statements.

3. Cash and Temporary Investments

The market value of cash and temporary investments is \$361.6 million (2000 - \$452.6 million). Temporary investments are generally for less than 30 days, and have an average effective interest rate of 5.00 per cent.

4. Agricultural Land Held for Resale

The estimated net realizable value of the agricultural land held for resale at March 31, 2001 is \$202.2 million (2000 - \$212.4 million).

5. Tangible Capital Assets

Tangible capital assets are recorded as an expenditure in the year acquired and are not included in the Statement of Financial Assets, Liabilities, and Accumulated Deficit. These assets are a key component in the delivery of government programs and provide on-going value to the public.

Tangible capital assets are valued at historical cost. All costs directly attributable to the acquisition, construction, development or betterment of the tangible capital assets are included.

Amortization is calculated using the straight line method based on the estimated useful life of each asset.

During the current year, the entity acquired tangible capital assets for use by the entity costing \$21.6 million (2000 - \$22.2 million). The net book value of \$40.1 million (2000 - \$36.0 million) represents the cost of tangible capital assets less an estimate of the portion of the assets used in the delivery of services.

The following table includes assets held for use by the entity and does not include assets acquired by right, heritage assets and assets available for public use.

The Saskatchewan Property Management Corporation (SPMC) also acquires tangible capital assets for use by the entity in its day to day operations. SPMC manages most of the buildings and land used by the entity in the provision of services to the public. These assets are reported separately in the financial statements of SPMC.

(Thousands)							
	2001					2000	
	Machinery & Equipment	Computer Hardware	Computer Software	Office Furniture & Equipment	Other	Total	Total
Estimated useful life	10 years	3 years	3 years	5-10 years	3 years - Indefinite		
Opening cost	\$ 14,709	\$ 23,666	\$ 3,963	\$ 7,680	\$ 11,988	\$ 62,006	\$ 58,433
Additions	2,380	11,490	2,023	2,791	3,111	21,795	22,182
Disposals	(1,187)	(8,147)	(1,398)	(305)	(174)	(11,211)	(18,609)
Closing cost of tangible capital assets	15,902	27,009	4,588	10,166	14,925	72,590	62,006
Opening accumulated amortization	7,007	12,237	1,964	2,184	2,588	25,980	25,238
Annual amortization	1,663	9,907	1,812	1,215	1,726	16,323	16,057
Write-downs	0	0	0	0	0	0	0
Disposals	(1,138)	(7,007)	(1,226)	(263)	(159)	(9,793)	(15,315)
Closing accumulated amortization	7,532	15,137	2,550	3,136	4,155	32,510	25,980
Net Book Value of Tangible Capital Assets	\$ 8,370	\$ 11,872	\$ 2,038	\$ 7,030	\$ 10,770	\$ 40,080	\$ 36,026

6. Pension Liabilities

The Government of Saskatchewan sponsors several defined benefit and defined contribution pension plans for a significant number of its employees and for members of the Legislative Assembly.

Pension fund assets of government sponsored defined benefit and defined contribution pension plans are invested in fixed income securities, equities, real estate and short term monetary items. The investment in Government of Saskatchewan securities is insignificant for all plans.

Defined benefit pension plans

Defined benefit pension plans provide benefits based on length of service and pensionable earnings. A typical defined benefit pension plan provides pensions equal to 2 per cent of a member's average five years highest salary, multiplied by the years of service to a maximum of 35 years. Members contribute a percentage of salary, which may vary based on age, to their pension plan. Pensions and contribution rates are integrated with the Canada Pension Plan.

The two main plans are the Teachers' Superannuation Plan (TSP) and the Public Service Superannuation Plan (PSSP). Other plans include Members of the Legislative Assembly Superannuation Plan (MLA), Judges of the Provincial Court Superannuation Plan (Judges), Saskatchewan Transportation Company Employees Superannuation Plan, Anti-TB League Employees Superannuation Plan and the Saskatchewan Pension Annuity Fund, an annuity underwriting operation.

Actuarial valuations are performed at least triennially. These valuations are extrapolated by an actuary when a valuation is not done in the current fiscal year. Valuations are based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. These assumptions reflect estimates of expected long term rates and short term forecasts. The long term inflation rate is estimated as 3.25 per cent. Other estimates vary based on the individual plan.

The accrued benefit obligation is determined using the projected benefit method prorated on services. Pension fund assets are valued at market related values based on actual market values averaged over a four year period. In the periods between valuations, the actuary estimates the market related value of pension fund assets using expected long term rates of return for the individual plans.

The TSP provides inflation protection equal to 80 per cent of the annual increase in the Consumer Price Index. Other plans provide inflation indexing at the discretion of the Lieutenant Governor in Council.

The Government is required to match member current service contributions for all plans except Judges and the PSSP. Separate pension funds are maintained for all plans except the PSSP. PSSP member contributions are deposited into the General Revenue Fund. All pension obligations arising under the PSSP are paid from the General Revenue Fund.

Information on the defined benefit pension plans follows:

	2001				2000
	TSP	PSSP	All Others	Total	Total
Plan status	closed	closed	closed ¹	n/a	n/a
Member contribution rate, percentage of salary	7.85	7.0-9.0 ²	5.0-9.0 ²	n/a	n/a
Number of active members	6,177	2,192	92	8,461	8,869
Average age of active members, years	49.3	51.4	54.8	49.9	48.6
Former members entitled to deferred pension benefits	6,994	157	11	7,162	16,555
Number of superannuates and surviving spouses	9,042	5,706	1,881	16,629	16,543
Member contributions (thousands of dollars)	\$ 23,000	\$ 6,245	\$ 382	\$ 29,627	\$ 28,646
Government contributions (thousands of dollars)	\$ 50,000	\$ 0	\$ 4,803	\$ 54,803	\$ 94,802
Benefits paid (thousands of dollars)	\$ 208,385	\$ 91,977	\$ 6,568	\$ 306,930	\$ 291,762

¹ Judges is open to new membership, all other plans are closed.

² Contribution rate varies based on age upon joining the plan.

Based on the latest actuarial valuation, extrapolated to March 31, 2001, the present value of accrued pension benefits and the market related value of pension fund assets are shown in the table below:

(Thousands)							
Plan Name	Actuarial Valuation Date	2001				2000	
		Accrued Benefit Obligation	Pension Fund Assets	Net Obligation	Unamortized Estimation Adjustments ¹	Pension Liabilities	Pension Liabilities
TSP ²	June 30, 1999	\$ 3,601,000	\$ 1,605,000	\$ 1,996,000	\$ 565,028	\$ 2,561,028	\$ 2,508,353
PSSP	Sept. 30, 1999	1,526,619	0	1,526,619	(241,811)	1,284,808	1,230,486
Others	Various	201,922	121,642	80,280	(13,469)	66,811	62,207
Total		\$ 5,329,541	\$ 1,726,642	\$ 3,602,899	\$ 309,748	\$ 3,912,647	\$ 3,801,046

¹ Amortized to income over 1 to 13 years (2000, 1 to 13 years), the estimated average remaining service life of active plan members at the time the estimation adjustment arises.

² The TSP accrued benefit obligation includes a liability of \$67.0 million (2000 - \$63.0 million) relating to the TSP disability provision.

At March 31, 2001, the market value of plan investments was \$2.0 billion (2000 - \$2.0 billion). Of this amount, 42.4 per cent (2000 - 47.9 per cent), was invested in fixed income securities and 52.7 per cent (2000 - 48.4 per cent) in equity investments.

Defined contribution pension plans

Defined contribution plans provide pensions based on accumulated contributions and investment earnings. Employees contribute a percentage of salary.

The Government sponsors the Public Employees Pension Plan (PEPP), a multi-employer defined contribution pension plan. Employers are required to match employee current service contributions to this plan. The General Revenue Fund has fully funded its share. The General Revenue Fund also contributes to the Saskatchewan Teachers' Retirement Plan (STRP), sponsored by the Saskatchewan Teachers' Federation.

Information on the defined contribution pension plans to which the General Revenue Fund contributes follows:

	2001			2000
	PEPP	STRP	Total	Total
Plan status	open	n/a	n/a	n/a
Member contribution rate, percentage of salary	5.0-5.75 ¹	n/a	n/a	n/a
Number of active members, all employers	27,888	n/a	27,888	26,963
General Revenue Fund participation:				
Number of active members	14,303	n/a	14,303	13,364
Number of inactive members	6,054	n/a	6,054	5,446
Member contributions (thousands of dollars)	\$ 24,065	n/a	\$ 24,065	\$ 22,282
Government contributions (thousands of dollars)	\$ 23,810	\$ 23,797	\$ 47,607	\$ 41,594

¹ Contribution rate varies based on employee group.

Pension expenditure

The entity accounts for pensions on a cash basis. The pension liabilities are not recorded in the financial statements.

7. Reserves

The accumulated deficit of \$7,010.9 million consists of an unallocated deficit component of \$7,022.8 million and the Environmental Protection Reserve of \$11.9 million. The Environmental Protection Reserve was created to provide contingency funding to mitigate unforeseen environmental problems related to uranium milling. The reserve is maintained at its March 31, 1992 balance.

8. Debt Servicing Costs

	(Thousands)	
	2001	2000
Total interest costs	\$ 1,020,168	\$ 1,064,266
Less interest reimbursed from Crown corporations and others	(378,116)	(381,339)
Other costs	22,040	13,162
Total Debt Servicing Costs	\$ 664,092	\$ 696,089

9. Operating Expenditure by Function and by Object

Operating expenditure by function is reported as follows:

	(Thousands)	
	2001	2000
Agriculture	\$ 219,235	\$ 336,082
Community Development	147,507	121,341
Economic development	115,000	77,940
Education	1,069,811	982,525
Environment and natural resources	132,788	145,016
Health	2,075,650	1,955,736
Protection of persons and property	240,299	238,013
Social services and assistance	683,648	673,610
Transportation	299,199	269,252
Other	273,705	277,849
Total Operating Expenditure	\$ 5,256,820	\$ 5,077,364

Operating expenditure by object is reported as follows:

	(Thousands)	
	2001	2000
Personal services	\$ 478,425	\$ 461,710
Travel	35,172	32,425
Transfers:		
Government entities	1,849,311	1,861,366
Other	2,236,593	2,083,611
Supplier payments	471,030	456,190
Other	186,289	182,062
Total Operating Expenditure	\$ 5,256,820	\$ 5,077,364

10. Contingencies

(a) Guaranteed debt

At March 31, 2001, \$312.0 million (2000 - \$349.0 million) in loans were guaranteed by the Minister of Finance.

(b) Lawsuits

Up to \$45.9 million may be paid, depending on the outcome of lawsuits in progress.

(c) Indian and Northern Affairs Canada

The Government pays for certain social services provided to status Indians and submits claims to the federal government for the cost of these services. The Government believes these costs are the responsibility of the federal government and believes they are fully reimbursable. However, the federal government denies responsibility for a portion of these costs.

The Government is unable to determine whether or not the outstanding amounts will be reimbursed. The Government will account for any recovery resulting from the resolution of this contingency at the time of settlement. No provision for such a recovery has been made in these financial statements.

11. Commitments

Major financial commitments include:

- Treaty land entitlement agreement commitments valued at approximately \$85.9 million over ten years; rural municipality and school division tax loss compensation of approximately \$15.1 million as land transfers achieve reserve status over the course of the agreements;
- Research and development projects for new agriculture technology and opportunities in the agri-food industry, \$15.0 million over five years;
- Weyerhaeuser Canada Ltd. agreement for road maintenance and construction, term indefinite, five year estimate of commitment, \$22.7 million;
- Mistik Management agreement for road reconstruction, term indefinite, five year estimate of commitment, \$2.9 million;
- Capital grant projects, over the next four years, \$75.3 million;
- Contracts for highway improvement, \$78.5 million;
- Computer service agreements, \$13.3 million over two years;
- Capital costs associated with the construction of the CLS Synchrotron Facility, \$7.0 million;
- Projects to expand innovation and enhance the competitive ability of the Saskatchewan economy, \$10.7 million over three years; and,
- An agreement with the Saskatchewan Medical Association for \$17.2 million over two years for recruitment, retention and continuing medical education initiatives for physicians.

Included are commitments for agriculture \$15.0 million, education \$40.9 million, health \$55.3 million, transportation \$104.1 million, community development \$101.0 million, economic development \$17.7 million, social services and assistance \$7.6 million and other \$2.0 million.

12. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, agencies, boards, and commissions related to the General Revenue Fund by virtue of common control by the Government of Saskatchewan.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. These transactions include:

- payments to related parties, made from the entity during the year, of approximately \$97.6 million (2000 - \$96.0 million) to Saskatchewan Property Management Corporation and \$18.6 million (2000 - \$17.7 million) to Saskatchewan Telecommunications Holding Corporation;
- taxation and non-renewable resource revenue received from related parties during 2000-01 of approximately \$56.0 million (2000 - \$48.9 million). In addition, Saskatchewan Education and Health Tax and Fuel Tax are received from related parties on all taxable purchases.

Other transactions with related parties and amounts due to or from them are described separately in these financial statements.

13. Trust Funds

Trust funds are property held and administered on behalf of beneficiaries. Trust assets are not owned by the Government and the Government has no equity in the funds. Therefore, trust funds are not included in the reporting entity.

Fund balances held and administered by the General Revenue Fund at March 31, 2001, were as follows:

	(Thousands)	
	2001	2000
Superannuation funds and pension plans ¹	\$ 5,821,892	\$ 5,516,573
Public Trustee's Trust Account	135,357	143,860
Other trusts	35,957	33,164
Total	\$ 5,993,206	\$ 5,693,597

¹ The balance reflects the latest financial statements of the funds and plans closest to March 31, 2001.

14. Comparative Figures

Certain of the 2000 figures have been reclassified to conform with the current year presentation. With regard to expenditures, the figures are reported on the same basis as the Estimates for the prior year.

15. Debt Reduction Account

This account was established pursuant to *The Balanced Budget Act*. The Debt Reduction Account is an accounting of the accumulated surpluses of the General Revenue Fund commencing April 1, 1995.

	(Thousands)	
	Budget	Actual
Debt Reduction Account, beginning of year	\$ 571,951	\$ 571,951
Reduction in Accumulated Deficit for the year	9,414	57,691
Debt Reduction Account, End of Year	\$ 581,365	\$ 629,642

DETAIL OF GENERAL REVENUE FUND DEBT
As at March 31, 2001 (unaudited)

A. Term Debt issued to the Public

<u>Date of issue</u>	<u>Date of Maturity</u>	<u>Interest Rate %</u>	<u>Currency</u>	<u>\$ Amount Outstanding</u>
April 10/91 (The original issue of 200,000,000 7½% Swiss Franc debentures has been swapped into Canadian dollars with an effective cost of funds of 10.57%; Non Callable)	April 10/01	10.57	Canadian	145,360,000
March 28/91 (Non Callable)	June 1/01	10%	Canadian	150,000,000
March 28/91 (Non Callable; sinking fund)	June 1/01	8%	Canadian	101,168,000
July 15/96 (Redeemable annually at the option of the holder or any time on the death of the holder; the Province reserves the right to increase the interest rate after July 14, 1997)	July 15/01	5½	Canadian	70,957,700
October 10/96 (Non Callable)	October 10/01	6%	Canadian	200,000,000
July 15/97 (Redeemable annually at the option of the holder or any time on the death of the holder; the Province reserves the right to increase the interest rate after July 14, 1998).	July 15/02	4	Canadian	34,096,900
July 29/92 (The original 5,000,000,000 6.04% Japanese Yen loan has been converted by forward contract to Canadian dollars resulting in an all-in-cost of 8¼%; Non Callable)	July 29/02	8%	Canadian	47,700,000
September 30/92 (The original 5,000,000,000 6% Japanese Yen loan has been converted by forward contract to Canadian dollars resulting in an all-in-cost of 8.21%; Non Callable)	September 30/02	8.21	Canadian	49,613,664
February 12/93 (The original 200,000,000 Deutschmark issue carried interest at 11% paid annually for two years and a floating interest rate paid semi-annually for the remaining term of the debentures. Principal and interest payments have been converted by forward contract to Canadian dollars with an all-in-cost of 9.055%; Non Callable; sinking fund)	February 12/03	9.055	Canadian	154,107,820
July 20/93 (The General Revenue Fund \$150,000,000 U.S. share of this issue has been swapped into \$191,850,000 Canadian dollars with an effective interest rate of 8.32%; Non Callable; annual sinking fund)	July 15/03	8%	Canadian U.S.	191,850,000 50,000,000
July 15/98 (Redeemable annually at the option of the holder or any time on the death of the holder; the Province reserves the right to increase the interest rate after July 14, 1999)	July 15/03	5	Canadian	76,887,900
August 31/93 (The original 2,500,000,000 5.2% Japanese Yen loan has been swapped into Canadian dollars with an effective interest rate of 8.2%; Non Callable)	August 31/03	8.2	Canadian	31,040,865
March 1/01 (If not redeemed by the holder on March 1, 2004, this note matures on March 1, 2011. This note pays interest at 5% to March 1, 2004 and 6.8% thereafter.)	March 1/04	5 - 6.8	Canadian	50,000,000
May 10/94 (The original 5,000,000,000 4.48% Japanese Yen loan has been swapped into Canadian dollars with an effective interest rate of 8.82%; Non Callable)	May 10/04	8.82	Canadian	67,116,600
June 22/99 (If not redeemed by the holder on June 17, 2004, this note matures on June 17, 2019. This note pays interest at 5 ½ % to June 17, 2004 and 5 ¼ % thereafter.)	June 17/04	5 ½ - 5 ¼	Canadian	25,000,000
July 15/99 (Redeemable annually at the option of the holder or any time on the death of the holder; the Province reserves the right to increase the interest rate after July 14, 2000.)	July 15/04	5	Canadian	150,394,500

<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate %</u>	<u>Currency</u>	<u>\$ Amount Outstanding</u>
July 26/84 (The original \$400,000,000 8% U.S. debentures have been swapped into Canadian dollars; \$200,000,000 at 9.83%; \$127,567,285 at 4.98% and \$72,412,715 at 4.982%; Non Callable; annual sinking fund)	July 15/04	Var.	Canadian	553,094,588
August 16/94 (Non Callable; annual sinking fund)	August 16/04	9½	Canadian	300,000,000
December 30/86 (Non Callable)	December 30/04	9%	Canadian	100,000,000
February 17/00 (If not redeemed by the holder on January 25, 2005, this note matures on January 25, 2030. This note pays interest at 6.1% to January 25, 2005 and 6 ¼% thereafter; annual sinking fund.)	January 25/05	6.1 - 6 ¼	Canadian	25,000,000
July 15/00 (Redeemable annually at the option of the holder or any time on the death of the holder; the Province reserves the right to increase the interest rate after July 14, 2001.)	July 15/05	5 %	Canadian	490,483,800
December 19/95 (Non Callable; annual sinking fund)	December 19/05	7½	Canadian	300,000,000
March 24/99 (If not redeemed by the holder on March 5, 2006, this note matures on March 5, 2029. This note pays interest at 5% to March 5, 2006 and 5.6% thereafter.)	March 5/06	5 - 5.6	Canadian	60,000,000
October 27/00 (Non Callable)	June 1/06	6	Canadian	250,000,000
August 23/96 (The original 5,000,000,000 3.451% Japanese Yen loan has been converted by forward contract to Canadian dollars resulting in an all-in cost of 7.846%; Non Callable)	August 23/06	7.846	Canadian	63,684,000
January 25/00 (Extendible at the option of the holder to January 25, 2030; annual sinking fund.)	January 25/07	6.35	Canadian	30,000,000
January 25/00 (Extendible at the option of the holder to January 25, 2030. This note, which pays interest at 6.2% to January 25, 2007 and 6.35% thereafter, has been swapped into an obligation paying 5.49% to January 25, 2007, and 6.35% thereafter; annual sinking fund.)	January 25/07	5.49 - 6.35	Canadian	120,000,000
March 9/00 (Non Callable)	March 9/07	6 ¼	Canadian	250,000,000
May 15/97 (Non Callable; annual sinking fund)	May 15/07	6.65	Canadian	30,000,000
March 2/83 (Non Callable)	March 1/08	9	Canadian	50,000,000
March 15/93 (Non Callable; annual sinking fund)	March 15/08	7½	U.S.	194,000,000
November 28/97 (Non Callable; annual sinking fund)	May 28/08	5½	Canadian	20,000,000
February 26/98 (Non Callable; annual sinking fund)	June 2/08	5½	Canadian	400,000,000
November 12/99 (Non Callable; annual sinking fund)	November 12/09	6 ¼	Canadian	250,000,000
January 18/90 (Non Callable; annual sinking fund)	January 18/10	10	Canadian	300,000,000

<u>Date of issue</u>	<u>Date of Maturity</u>	<u>Interest Rate %</u>	<u>Currency</u>	<u>\$ Amount Outstanding</u>
September 1/00 (Non Callable; annual sinking fund)	September 1/10	6.15	Canadian	550,000,000
February 2/93	February 1/13	8	Canadian	292,080,000
			U.S.	200,000,000
(\$200,000,000 of the U.S. \$400,000,000 debenture issue has been swapped to Canadian dollars with an effective interest rate of 7 1/4 %; Non Callable; annual sinking fund)				
July 20/93 (Non Callable; annual sinking fund)	July 15/13	7%	U.S.	300,000,000
March 14/91 (Non Callable; annual sinking fund)	April 10/14	10%	Canadian	583,916,000
December 1/65 (Payable in blended semi-annual payments of principal and interest totalling \$76,399.60. Prepayable in whole or in part any time prior to December 1, 2015, without penalty)	December 1/15	5%	Canadian	1,585,818
September 17/96 (Non Callable Serial Note)	September 17/16	7.93	Canadian	17,812,000
December 20/90 (Non Callable; annual sinking fund)	December 15/20	9%	U.S.	300,000,000
February 26/91 (Non Callable; annual sinking fund)	February 15/21	9%	U.S.	200,000,000
February 4/92 (Non Callable; annual sinking fund)	February 4/22	9.6	Canadian	255,000,000
July 21/92 (Non Callable; annual sinking fund)	July 15/22	8 1/2	U.S.	300,000,000
May 30/95 (Non Callable; annual sinking fund)	May 30/25	8%	Canadian	175,000,000
December 4/98 (Non Callable; annual sinking fund)	March 5/29	5%	Canadian	350,000,000
Various debentures issued to finance union hospital debt				154,851

B. Debentures Issued to Minister of Finance of Canada

<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>
Re: Canada Pension Plan ¹			
April 1981-March 1982	April 2001-March 2002	15.43	\$ 109,647,000
April 1982-March 1983	April 2002-March 2003	14.67	110,084,000
April 1983-March 1984	April 2003-March 2004	11.60	109,328,000
April 1984-March 1985	April 2004-March 2005	13.37	104,274,000
April 1985-March 1986	April 2005-March 2006	11.48	112,507,000
April 1986-March 1987	April 2006-March 2007	9.61	133,709,000
April 1987-March 1988	April 2007-March 2008	9.61	88,333,000
April 1988-March 1989	April 2008-March 2009	10.08	93,932,000
April 1989-March 1990	April 2009-March 2010 ²	9.90	101,867,000
April 1990-March 1991	April 2010-March 2011 ²	10.85	90,318,000
April 1991-March 1992	April 2011-March 2012 ²	9.92	90,864,000
April 1992-March 1993	April 2012-March 2013 ²	9.37	82,705,000
April 1999-March 2000	April 2019-March 2020 ²	6.34	46,335,000
April 2000-March 2001	April 2020-March 2021 ²	6.54	75,553,000
			<u>\$ 1,329,256,000</u>
Re: The Municipal Development Loan Fund			
1965-1987	2005-2007	5.38%	\$ 21,923
Re: Agricultural Service Centres Loan Agreement			
1984-1985	2003-2004	12.28%	\$ 85,996
Total			<u>\$ 1,329,363,919</u>

¹ All debentures issued to the CPP have a 20-year maturity, are not callable at the option of the Province and are redeemable in certain circumstances. The interest rates have been prepared on a weighted average basis.

² Subject in part to annual sinking funds; equity in sinking funds at March 31, 2001, \$42,027,225.

Summary

	(Millions)
Payable in Canadian Funds:	
Term Debt Issued to the Public	\$ 7,363,096
Debentures Issued to Minister of Finance of Canada	1,329,363
Payable in Foreign Currencies	
Term Debt Issued to the Public (converted to Canadian Dollars)	2,435,506
Term Debt Outstanding	11,127,965
Promissory Notes Outstanding	633,100
Gross Debt	<u>\$ 11,761,065</u>

CROWN CORPORATIONS

Introduction

Saskatchewan's Crown corporations are involved in a broad range of activities including the provision of electricity, natural gas, telecommunications, financial services and other goods and services. Certain Crown corporations are commercial enterprises intended to be self-sustaining while others receive an annual appropriation to cover costs of administration and other expenses.

Traditionally, the capital requirements of the Government's enterprises have been financed, with few exceptions, through direct obligations of, or advances by, the General Revenue Fund ("GRF"). Provincial legislation governing certain Crown corporations provides for the issuance of securities by these enterprises, with or without a guarantee of the Province. Pursuant to *The Financial Administration Act, 1993*, all borrowings by Provincial Crown corporations must be approved by the Minister of Finance for Saskatchewan.

Loans and advances to, and investments in, Crown corporations are carried in the financial statements of the GRF at cost. Loans and equity investments are written down to their estimated net realizable value.

For administrative purposes, Saskatchewan's Crown corporations are categorized into two separate groups. Most Crown corporations with commercial operations are under the purview of, and report to, Crown Investments Corporation of Saskatchewan, as discussed below. All other Crown corporations report directly to the Treasury Board, which is a committee of the Executive Council. Some corporations have dual reporting requirements.

Crown Investments Corporation of Saskatchewan ("CIC")

Introduction. CIC is a Provincial Crown corporation without share capital, established and operating under authority of *The Crown Corporations Act, 1993*, wholly owned by the Government of Saskatchewan. CIC is responsible for certain Provincial investments including Crown corporations and financial and operating investments. Crown corporations are designated as being under the purview of CIC by legislation or Order-in-Council. As at December 31, 2000, there were eleven corporations so designated.

Fiscal Year 2000. Highlights - Non-Consolidated Basis. CIC, as a legal entity, makes investments, borrows money, receives dividends and interest income and pays interest, grants and other expenses. The results of these transactions are reflected in CIC's Non-Consolidated Financial Statements which, unlike the financial statements of the GRF, are based on the calendar year.

Non-consolidated net earnings in 2000 were \$204.1 million compared to \$129.0 million in 1999. The \$75.1 million increase was largely due to higher dividend revenue and lower net interest expense, partly offset by an increase in operating expenses and grants to subsidiaries.

Revenues for the year were \$232.4 million, an increase of \$69.9 million from 1999. The increase was mainly the result of higher dividends from subsidiary Crown corporations.

In addition to the \$2.7 million of dividends declared from CIC's investment in Cameco Corporation, the following dividends were declared to CIC from Crown corporations under its purview.

	<u>Millions</u>
Saskatchewan Power Corporation.....	\$ 69.1
Saskatchewan Telecommunications Holding Corporation.....	87.3
SaskEnergy Incorporated	24.4
Saskatchewan Government Insurance	41.5
	<u>\$ 222.4</u>

Dividends declared to CIC from CIC Crown corporations in 1999 totalled \$152.6 million.

Expenses of \$23.4 million in 2000 were down \$6.1 million from the previous year, mainly due to improved sinking fund earnings which reduced net interest expense, partially offset by higher operating expenses. Interest expense of \$12.0 million declined \$8.5 million as a result of lower debt. Debt at year end was \$47.9 million, a reduction of \$13.3 million or 22 per cent from 1999. Debt fell due to sinking fund earnings.

CIC did not have any asset write-downs in either 1999 or 2000.

Fiscal Year 2000 Highlights - Consolidated Basis. The financial statements of CIC are consolidated with the Crown corporations under its purview and other investments to provide the Legislature with financial information relating to the aggregate results of these corporations. The corporations provide a wide variety of services and sell various commodities in both domestic and international markets. The diversified nature of the corporations within the consolidated group is such that the operating results are affected by events and conditions occurring throughout the world.

For the year ended December 31, 2000, CIC reported consolidated net earnings of \$293.2 million on total revenues of \$3.2 billion, compared to consolidated net earnings of \$215.8 million on total revenues of \$2.8 billion in 1999. Excluding non-recurring items of \$19.1 million (1999 - \$63.9 million), earnings from ongoing operations were \$274.1 million (1999 - \$151.9 million). The increase mainly reflects higher sales of commodity-based investments, higher utility sales and higher investment earnings, partially offset by higher operating costs at SaskPower, SaskEnergy and Newgrade. The increase in investment earnings mainly reflects an increase in earnings from Saskferco Products Inc. ("Saskferco") and the investment portfolio of Saskatchewan Government Insurance ("SGI"). Non-recurring items in 2000 consisted of gains on the sale of shares in Austar United Communications Limited (\$13.7 million), a non-cash gain on the divestiture of Regional Cable TV (Western) Inc. (\$7.7 million), and a gain on the deemed disposition of Soft Tracks Enterprises Ltd. (\$1.7 million), partially offset by a \$3.6 million loss on the sale of Western Canadian Beef Packers Inc. ("WCBP"). Consolidated earnings in 1999 included non-recurring items of \$63.9 million and were mainly comprised of gains on the sale of Saskfor MacMillan Limited Partnership ("SMLP") (\$30.2 million) and Saturn Communications Limited (\$39.0 million), partly offset by \$5.2 million in losses as a result of the bankruptcy of the Lake Diefenbaker Potato Corporation.

As CIC has strengthened its financial position by reducing its non-consolidated debt to a self-supporting level, sustainably higher dividends to the GRF have been possible. CIC has been able to increase its regular GRF dividend from \$50.0 million in 1995, 1996, and 1997 to \$100.0 million in 1998 and \$125.0 million in 1999. The shareholder deferred the declaration of CIC's \$150 million dividend to the GRF for 2000. Also, proceeds from the 1998 sale of the Husky Upgrader enabled CIC to declare a special dividend of \$100.0 million to the GRF, and the repayment of \$85.0 million in equity advances from the GRF. For 2001, CIC expects to increase its regular dividend to \$200.0 million.

During 2000, capital expenditures made by CIC and the Crown corporations under its purview totalled \$434.4 million compared to \$417.3 million spent in 1999. Taxes and resource payments made by the corporations were \$80.8 million in 2000 compared to \$67.6 million in 1999. Total consolidated assets administered by CIC were \$7.6 billion as at December 31, 2000, up from a total of \$7.3 billion as at December 31, 1999.

In October 1999, the Government replaced the existing 45-Day Rate Review process for Crown monopoly utility rates with a new process. On November 18, 1999, the Minister of Crown Investments Corporation issued a Ministerial Order establishing the Saskatchewan Interim Rate Review Panel ("SIRRP") as a ministerial advisory committee, pending the development and implementation of a permanent review process. On July 26, 2000, the Saskatchewan Rate Review Panel ("SRRP") was established and its mandate is patterned on SIRRP. This mandate is to conduct a review and provide an opinion on the fairness and reasonableness of proposed Crown Corporation monopoly rate changes, referred to the Panel by the Minister of Crown Investments Corporation, considering the interests of the customer, the Crown Corporation, and the public.

The interim panel completed two rate reviews between October 1999 and July 2000. SaskEnergy received approval for a 9.1 per cent increase to gas bills effective December 15, 1999 to recover increases in the cost for natural gas - SaskEnergy passes these costs through to customers. The Government approved the rate increase based on the recommendation of SIRRP. As well, SaskTel received approval for a 13.7 to 18.0 per cent increase to basic telephone service effective March 17, 2000. The rate increase was part of a rate re-balancing package resulting in residential customers paying a flat monthly rate for basic telephone service. Other changes to service charges were also approved as part of the rate re-balancing initiative. The Government approved the rate increase based on the recommendation of SIRRP.

SRRP has completed two rate reviews since its establishment. In September, 2000, SRRP recommended against a proposed 2 per cent rate increase in vehicle insurance premiums by the Saskatchewan Auto Fund, which is administered by SGI. An application for rate increases was submitted by SaskEnergy in fall 2000 and SRRP recommended an increase in natural gas consumption rates. This increase was approved by the Government based on the recommendation of SRRP (refer to the discussion on SaskEnergy in this section).

In order to encourage new industry, CIC has been a proponent of major diversification efforts in which the Government has a stake. CIC administers eleven subsidiary Crown corporations, one of which was created subsequent to December 31, 1999, and one wholly-owned subsidiary incorporated under *The Business Corporations Act (Saskatchewan)*. CIC also holds major investments in four different entities. Following is a brief commentary on CIC's major holdings.

Active Crown Corporations

As at December 31, 2000, the following eleven active Crown corporations were under CIC's purview: Information Services Corporation of Saskatchewan, Saskatchewan Development Fund Corporation, SGGF Management Corporation, SGI, Saskatchewan Opportunities Corporation, SaskPower, SaskTel (Holding Corporation), Saskatchewan Telecommunications (a subsidiary of SaskTel), STC, Saskatchewan Water Corporation, and SaskEnergy. Of these corporations, SaskPower, SaskTel and SaskEnergy are the most significant in terms of assets, liabilities and operating income generated.

Effective January 1, 2000, Saskatchewan Land Information Services Corporation ("SLISC") was established. Its mandate includes the re-evaluation, redesign and automation of Saskatchewan's land titles system and its integration with the provincial survey, mapping and geographic information systems. The name of SLISC was changed to Information Services Corporation of Saskatchewan effective November 1, 2000.

Saskatchewan Power Corporation. SaskPower provides electrical energy and related services including the generation, purchase, transmission, distribution and sale of electricity and related products and services.

SaskPower's net earnings were \$125.7 million in 2000 compared to \$113.9 million in 1999. Net earnings increased mainly due to record high export sales.

Total revenues increased to \$1,108.6 million in 2000 from \$982.6 million in 1999 largely due to higher export sales. Operating expenses (e.g. fuel and purchased power, and staffing costs) of \$837.2 million in 2000 increased from \$708.1 million in 1999 due to rising fuel and purchased power costs. SaskPower's net debt rose by \$34.7 million to \$1.6 billion in 2000. Finance charges declined to \$145.7 million in 2000 from \$160.6 million in 1999. During 2000, SaskPower declared a dividend to CIC of \$69.1 million (1999 - \$62.7 million).

Capital spending of \$210.0 million in 2000 (1999 - \$182.2 million) was for new generation projects (Queen Elizabeth Power Station repowering and Cory cogeneration project), customer connections and improving and extending the life of existing generation plants and transmission and distribution infrastructure.

SaskPower undertook significant investments during 2000. In June 2000, SaskPower announced plans to install improved technology to upgrade one of its major power stations at a projected cost of \$140 million. The project is expected to be completed in the summer of 2002. SaskPower International, a wholly owned subsidiary of SaskPower, joint ventured with ATCO Power Canada Ltd. of Alberta to develop, own and operate a 228 megawatt cogeneration and combined-cycle facility at the Potash Corporation of Saskatchewan's Cory mine site near Saskatoon. The overall project cost is estimated to be \$227.2 million. As well, SaskPower International is planning to participate in a 170 megawatt, \$227 million cogeneration facility in Alberta.

In 2001, SaskPower received approval to develop a \$12 million 5.3 megawatt wind power facility to supply the green energy requirements of the Provincial Government and SaskPower's head office. The facility is expected to be fully commissioned by June 2002.

In March of 2001, SaskPower received approval for a 2 per cent system-wide average increase to recover higher costs associated with fuel, operations, maintenance and administration, as well as to rebalance rates to align customer rates more closely with the associated cost of service. Prior to this increase a rate freeze had been in effect for SaskPower since 1996.

SaskPower has applied for a system-wide average increase of 6.8 per cent (excluding contract rate customers) effective December 1, 2001. The proposal also includes further rate rebalancing action. It will be subject to review by SRRP prior to consideration by Cabinet.

On November 1, 2001, Saskatchewan opened its electrical transmission system and offered transmission services under an OATT (Open Access Transmission Tariff). Under the OATT, SaskPower provides non-discriminatory access to its transmission system and gains improved reciprocal access to transmission capacity of other jurisdictions.

Saskatchewan Telecommunications Holding Corporation. SaskTel is the leading full service communications company in Saskatchewan, providing competitive voice, data, dial and High Speed Internet, web-hosting, QUANTUMLYNX Office applications, secure electronic transactions, text and messaging services over a fiber optic based, fully digital network, as well as digital and analog cellular, paging, wireless data and FleetNet 800™ service. The Corporation's major asset is a wholly owned subsidiary, Saskatchewan Telecommunications, which has been the principal supplier of telecommunications in Saskatchewan for over 90 years. The Corporation also maintains investments in companies which provide directory publishing, remote security monitoring, system design, project management, engineering consulting, software sales, multimedia, cable television, transaction clearing house and wireless point of sale services. Through interconnection agreements with the Canadian telecommunication industry - primarily Bell Canada - the corporation is part of the national and global communications network.

SaskTel's net earnings in 2000 were \$97.0 million compared to \$87.5 million in 1999. Earnings in 2000 were higher primarily due to a reduction in restructuring and other charges, along with increases in cellular, Internet, and local service revenues.

Revenues of \$777.7 million in 2000 increased from \$753.9 million in 1999. Revenues were higher mainly due to increased Internet, cellular and local service. Competitive pricing, combined with strong customer focus, has enabled SaskTel to retain about 91 per cent of the Saskatchewan long distance market.

Operating expenses of \$656.4 million in 2000 increased marginally from \$653.9 million in 1999. Debt was \$414.0 million in 2000 compared to \$409.0 million in 1999. Interest charges increased to \$37.9 million in 2000 from \$36.0 million in 1999.

SaskTel sold 4.1 million shares in Auster United Communications Limited for a gain on sale of \$13.7 million. SaskTel also divested its 29.9 per cent interest in Regional Cable TV (Western) Inc. and recorded a non-cash gain of \$7.7 million. As consideration, SaskTel received 1,223,491 common shares in the parent company Regional Cable Systems Inc., which provides cable television and telecommunication services in seven provinces. The total value of the shares received was \$14.7 million.

During 2000, SaskTel declared a dividend of \$87.3 million to CIC (1999 - \$60.8 million).

Capital spending was \$107.6 million (1999 - \$155.3 million). The decrease reflects reductions in programs relating to the delivery of legacy services. Spending continued to be focussed on growth initiatives.

Effective June 30, 2000, SaskTel became regulated under the Canadian Radio-television and Telecommunications Commission ("CRTC"). The CRTC has initiated a public proceeding to establish the regulatory regime that will apply to SaskTel and other major incumbent telephone companies in 2002 and beyond. As required by the CRTC, SaskTel has filed a local rate proposal for the 2002 - 2005 price cap period.

SaskEnergy Incorporated. SaskEnergy is a natural gas utility that provides natural gas and related services to residential, farm, commercial and industrial customers in Saskatchewan. TransGas is SaskEnergy's wholly-owned natural gas transmission and storage company.

SaskEnergy's net earnings in 2000 were \$44.4 million compared to \$36.6 million in 1999.

Revenues of \$517.9 million were up from the \$413.8 million earned in the previous year largely due to commodity rate increases and colder winter weather in 2000. As well, almost 3,100 new customers were added to the distribution system.

Expenses were \$473.5 million in 2000 compared to \$377.2 million in 1999. The increase was mainly due to the higher cost of gas sold which resulted from record high natural gas prices along with colder winter weather. Debt was \$717.5 million in 2000 compared to \$730.6 million in 1999.

On November 29, 2000, SRRP's recommendation for a SaskEnergy rate increase was approved by Cabinet, allowing SaskEnergy to increase its natural gas consumption rates from 11.1 cents per cubic metre to 16.69 cents per cubic metre as a result of escalating gas commodity prices. The natural gas rates being charged by SaskEnergy to its distribution system customers were among the lowest in Canada in 2000.

In June 2001 SRRP's recommendation for a 24 per cent rate increase to 23.38 cents per cubic metre was also approved by Cabinet. The rate increase was mitigated for customers by Cabinet's direction to SaskEnergy to absorb \$76 million in costs that would otherwise have been passed on to consumers. SaskEnergy expects to incur a loss in 2001 as a result of this decision.

In October of 2001, SaskEnergy made a rate application to Cabinet which would, if approved, decrease natural gas consumption rates from 23.38 cents per cubic metre to 20.14 cents per cubic metre effective November 1, 2001. This proposal will be subject to review by SRRP prior to its consideration by Cabinet.

During 2000, SaskEnergy declared a dividend to CIC of \$24.4 million (1999 - \$20.1 million).

Capital spending of \$57.9 million in 2000 (1999 - \$61.3 million) was primarily for renewal of the existing infrastructure, extensions to the transmission system, and new customer connections to the local distribution network.

Major Investments

CIC has invested as a commercial partner in a number of enterprises. The most significant of these are discussed below.

NewGrade Energy Inc. ("NewGrade"). NewGrade operates a heavy oil upgrading plant in Regina. NewGrade's outstanding voting shares are owned 50.0 per cent by the Government of Saskatchewan through CIC and 50.0 per cent by Consumers' Co-operative Refineries Limited ("CCRL"), a wholly-owned subsidiary of Federated Co-operatives Limited of Saskatoon. The plant is currently operating above design capacity with the ability to produce an output of approximately 3.39 million cubic metres of upgraded crude oil in any year in which the complex does not undergo a one-month maintenance shutdown.

NewGrade recorded a net profit for its fiscal year ending October 31, 2000 which contributed \$23.1 million to CIC's consolidated earnings for the year ended December 31, 2000 compared to a reduction of earnings of \$17.1 million in 1999. NewGrade's earnings increased largely due to substantially improved crude oil differentials compared to the previous year.

Both shareholders were required to provide cash deficiency funding in 2000 (CIC - \$3.3 million; CCRL - \$3.3 million). This was only the second time cash deficiency funding has been required since 1994 and no cash deficiency funding was required in 2001.

NewGrade's total government-guaranteed debt at March 31, 2001 was U.S. \$103.2 million. These amounts were guaranteed 56.7 per cent directly by the Government of Saskatchewan and 43.3 per cent by CIC.

Saskferco Products Inc. ("Saskferco"). Saskferco is a nitrogen-based fertilizer plant located near Belle Plaine with its head office in Regina. Saskferco completed a self-financed \$35.8 million expansion of its plant in September 1997 that has increased its average annual urea production capacity by 180,000 tonnes to 930,000 tonnes and reduced average ammonia production by 104,000 tonnes to 73,000 tonnes. The nitrogen fertilizers produced by Saskferco service the agricultural markets in Canada and the northern United States, as well as offshore. CIC III owns 49.0 per cent of Saskferco, Cargill Limited (Canada) 50.0 per cent, and Citibank Canada 1.0 per cent.

Saskferco recorded a net profit for calendar 2000. This increased CIC's consolidated earnings for the year ended December 31, 2000 by \$3.1 million, compared to a reduction in earnings of \$2.2 million in 1999. The increase was largely due to higher urea and ammonia prices in 2000 compared to the previous year.

Medium Term Notes issued by Saskferco with a principal amount of U.S. \$166.0 million as at March 31, 2001, are guaranteed by the GRF (principal was subsequently reduced to U.S. \$148.0 million on May 31, 2001). The project agreements provide that cash flow will be allocated on a priority basis to the reduction of guaranteed debt. As a result of surplus cash from operations, Saskferco has established a debt retirement fund specifically for the Medium Term Notes. The fund had a balance of \$119.0 million as of March 31, 2001. The GRF receives commercially-based guarantee fees based on guaranteed debt outstanding.

In addition to guaranteeing the debt noted above, the GRF may, in certain circumstances, be obligated to provide additional financial support by way of a loan to Saskferco, in an amount not to exceed the lesser of \$30.0 million or 15.0 per cent of the amount of guaranteed debt outstanding. Any such loan that may be necessary is to be repayable by Saskferco to the GRF on a priority basis and will bear interest at a chartered bank's prime rate plus 1.0 per cent per annum. CIC does not currently expect that this additional financing will be required.

Meadow Lake Pulp Limited Partnership ("MLPLP"). MLPLP operates one of the world's first zero-effluent chemi-thermomechanical pulp ("CTMP") mills. The mill uses 100.0 per cent aspen as the fibre source, producing up to 300,000 tonnes per annum of hydrogen peroxide bleached CTMP. CIC Pulp Ltd., a wholly-owned share capital subsidiary of CIC Industrial Interests Inc. ("CIC III"), owns 50.0 per cent of MLPLP, with Millar Western holding the remaining 50.0 per cent. The state-of-the-art, environmentally friendly mill is located near Meadow Lake. Its wood pulp is sold in Canada, the United States and off-shore.

On a consolidated basis, MLPLP's contribution to CIC's consolidated earnings for the year ended December 31, 2000 was \$17.7 million compared to \$10.6 million in 1999.

Due to the low pulp prices in 1997, MLPLP experienced cash flow difficulties, necessitating partner guarantees totalling \$10 million for additional short term operating financing. As a result of the continuation of the low pulp prices in 1998, the partners were required to fully honour the amounts guaranteed by them for the additional short term operating financing. In addition, CIC agreed to fund all cash flow deficiencies of MLPLP beyond cash available under its Bank Operating Loan Agreement, until August 1999. CIC also gave assurances that arrangements will be made to reduce MLPLP's long term bank loan from U.S. \$85 million to an amount deemed reasonable by the lender by August 1999. The bank agreed to extend the August 1999 maturity date to May 2000 on the condition that CIC continue to fund all cash flow deficiencies of MLPLP to May 2000 and that MLPLP pay down the bank term loan to U.S. \$75.0 million. This loan was paid down to that amount by August 31, 1999. During 2000, the bank agreed to extend the May 2000 maturity date to July 31, 2001 on the same terms. On July 31, 2001, MLPLP entered into new financial arrangements with a different term lender. CIC is guaranteeing the new \$80 million term facility. The facility has a five year term with a balloon payment of \$40 million at the end of the term. MLPLP also entered into a new operating line arrangement with a bank which has no recourse to CIC.

HARO Financial Corporation ("HARO"). HARO is a Regina-based company created to acquire an ownership interest in Crown Life Insurance Company ("Crown Life"). CIC III owns 68 million non-voting, common shares of HARO at a cost of \$68.0 million. During the year 2000 Harvard Development Inc. converted its 5 per cent equity ownership in HARO by way of Class D preferred shares into Crown Life common shares. Denro Group Limited converted its 1 per cent equity ownership in HARO by way of Class D preferred shares into Crown Life common shares. As a result, CIC III owns 100 per cent of the equity interest in HARO. As at CIC III's fiscal year ended December 31, 2000, it also had a loan to HARO totalling \$205.0 million. Late in 2000, Crown Life repurchased all other common shares not owned by HARO and Extendicare Inc., Crown Life's other shareholder, for \$123 per share. At December 31, 2000, HARO held a 65.21 per cent ownership interest in Crown Life and Extendicare held 34.79 per cent.

On May 26, 1998, Crown Life announced that it had entered into an agreement to sell its Canadian insurance business (other than its Canadian reinsurance business), its U.S. group life and health insurance business, substantially all of its non-Canadian reinsurance business, and its insurance business in certain other jurisdictions in which Crown Life is licensed to The Canada Life Assurance Company ("Canada Life"). Canada Life administers the remaining Crown Life insurance business under an administrative services agreement. Canada Life may either (a) acquire the balance of the insurance business at a later date after the satisfaction of certain conditions or (b) elect or, under certain conditions, be obligated to purchase the outstanding common shares of Crown Life. The Canada Life transaction closed on January 1, 1999.

As at December 31, 2000, Crown Life had \$1.39 billion in total assets under management, primarily mortgage loans (28 per cent of assets), real estate (22 per cent of assets) and bonds (32 per cent of assets).

Crown Life's plan for the future of the remaining operation of Crown Life is still under discussion with the intention to build an investment management company that will have a primary focus in venture capital in Western Canada. Crown Life has formed a new wholly owned subsidiary, Crown Capital Partners Inc. ("CCPI"), and has entered into a management contract with Crown Life to manage \$62.5 million of capital. \$2.5 million has been invested in the Crown Venture Fund, a labour sponsored fund. CCPI has also entered into a management contract with Saskatchewan Government Growth Fund Management Corporation ("SGGF") with the former SGGF staff joining CCPI. It is anticipated that a partnership consisting of current Crown Life management will be formed to manage CCPI once the Canada Life second closing occurs.

Most of the remaining assets will be liquidated with proceeds used to extinguish liabilities and most of the balance distributed to shareholders over time. CIC expects to recover at least the balance of its investment in HARO within five years.

Crown Life is a defendant in a number of lawsuits that were commenced in prior years involving the sale allegedly on a "vanishing premium" basis of participating whole life insurance policies. Many life insurers are defendants in similar lawsuits brought by purchasers of such policies. The Company is rigorously contesting all lawsuits and the outcome is uncertain.

Crown Life's ratio of equity to liabilities was 1.7:1 at December 31, 2000, compared with 1.8:1 a year earlier, and net income for 2000 was \$35.2 million against \$80.8 million in 1999 (there was a gain on sale of \$47.9 million related to the Canada Life transaction in 1999).

Other Investments

CIC holds shares in one major publicly traded corporation discussed below.

Cameco Corporation ("Cameco"). Cameco is one of the world's largest, low-cost uranium mining and processing companies. Its head office is in Saskatoon. Its uranium products are used to generate electricity in nuclear plants around the world. It also has a significant presence in gold exploration and mining, and purchased a 15 per cent interest in a major supplier of electricity to the Province of Ontario in 2001. CIC assumed the former Saskatchewan Mining Development Corporation's ("SMDC") ownership in Cameco after SMDC's wind-up in 1993. Various share transactions have reduced CIC's ownership to 5.4 million shares, representing a 9.8 per cent interest at December 31, 2000.

In 2000, CIC received \$2.7 million in dividends from Cameco.

Investment Portfolio. In addition, CIC manages a portfolio of small and medium sized loans and a small property portfolio. The combined value of those portfolios at December 31, 2000 was \$47.0 million.

Major Wholly-Owned Subsidiary

CIC Industrial Interests Inc. ("CIC III"). CIC III, a share capital corporation incorporated under *The Business Corporations Act* (Saskatchewan), is a wholly-owned subsidiary of CIC. CIC III was created as a vehicle to own certain investments in entities of a commercial nature which involved some degree of private ownership. CIC III's major investments include HARO, MLPLP through CIC Pulp Ltd., and Saskferco. CIC III also holds various debt instruments, including one to HARO.

CIC III reported net earnings of \$22.0 million in 2000 compared to \$43.3 million in 1999. The decline is primarily due to 1999 results including a \$30.2 million gain on sale of SMLP. Excluding a loss on the sale of investments, CIC III's earnings from ongoing operations were \$25.5 million (1999 - \$12.7 million). The \$12.8 million improvement was primarily due to higher interest revenue and earnings from equity investments, partly offset by a higher provision for investment losses.

Loss on the sale of investments of \$3.5 million in 2000 (1999 - \$30.5 million gain) was primarily related to the sale of Western Canadian Beef Packers Inc. at a loss of \$3.6 million. Most of the \$30.6 million gain on sale of investments in 1999 arose from CIC III's sale of SMLP at a gain of \$30.2 million.

Revenue from ongoing operations was \$30.5 million (1999 - \$14.7 million). Higher interest and rental income and earnings from equity investments accounted for the majority of the \$15.8 million increase. Interest and rental revenue totalled \$12.6 million in 2000 (1999 - \$7.7 million). The \$4.9 million increase was mainly due to HARO's interest payment on its outstanding loans. Earnings from equity investments were \$17.9 million (1999 - \$6.9 million). The \$11.0 million increase primarily reflects improved results for MLPLP of \$7.1 million, Saskferco of \$5.3 million, Genex Swine Group Inc. ("Genex") of \$1.1 million, the addition of Big Sky Farms Inc. ("Big Sky") (\$0.4 million) and a \$1.9 million reduction in losses at WCBP (sold in March of 2000). These were partly offset by a \$3.0 million loss in revenue from SMLP (sold in March of 1999), losses from ongoing operations at SGI CANADA Insurance Services Ltd. (\$0.2 million), and losses in Saskatchewan Valley Potato Corporation ("SVPC") of \$0.8 million, FarmGro Organic Foods Inc. ("FarmGro") (\$0.7 million), and Centennial Foods Partnership ("Centennial") (\$0.1 million). The following summarizes CIC III's share of earnings (losses) from major equity investments in 2000:

	<u>Millions</u>
Saskferco Products Inc.	\$ 3.1
Western Canadian Beef Packers ("WCBP")	(3.0)
CIC Pulp Ltd. ("MLPLP")	17.7
Other	0.1
	<u>\$ 17.9</u>

Expenses were \$5.0 million (1999 - \$2.0 million). This \$3.0 million increase was due to a higher provision for investment losses. The 2000 provision of \$3.8 million includes a \$2.0 million loss provision for BIOSTAR Inc. with the remainder related to provisions against the carrying value of assets in the former Saskatchewan Economic Development Corporation portfolio.

CIC's non-interest bearing advances to CIC III increased by \$52.6 million to \$214.5 million as at December 31, 2000 (1999 - \$161.9 million).

CIC III's total assets increased by \$79.9 million to \$632.0 million at December 31, 2000. During 2000, CIC III provided equity for the following investments: \$20.0 million for Centennial, \$16.2 million for SVPC, \$15.0 million for Big Sky, \$9.0 million to WCBP, \$1.9 million for Foragen Technologies Management Inc. (\$9.0 million total commitment), \$5.0 million for Primaxis Technology Ventures Inc., and \$0.3 million for FarmGro. CIC III provided the following loans: \$1.6 million to XL Foods Inc., \$1.1 million to FarmGro, \$0.8 million to WCBP, and \$0.6 million to SVPC for its operating line of credit (\$2.0 million total available credit).

Crown Investments Corporation of Saskatchewan

Consolidated Statement of Financial Position

	At December 31				
	1996	1997	1998 (Thousands)	1999	2000
Assets					
Current	\$ 1,198,071	\$ 792,450	\$ 922,505	\$ 915,064	\$ 1,117,005
Long term investments	1,237,859	1,147,256	1,120,673	1,039,309	1,060,324
Capital assets	5,269,590	5,212,612	5,059,987	5,069,180	5,110,326
Other assets	276,559	296,102	397,516	296,701	346,161
Total Assets	\$ 7,982,079	\$ 7,448,420	\$ 7,500,681	\$ 7,320,254	\$ 7,633,816
Liabilities and Province's Equity					
Current	\$ 1,364,408	\$ 969,479	\$ 1,067,787	\$ 977,204	\$ 966,856
Long term debt	3,781,294	3,249,337	3,072,081	2,901,077	2,915,854
Deferred revenue and other liabilities	291,107	440,689	469,928	502,758	518,675
Province of Saskatchewan's Equity	2,545,270	2,788,915	2,890,885	2,939,215	3,232,431
Total Liabilities and Province's Equity	\$ 7,982,079	\$ 7,448,420	\$ 7,500,681	\$ 7,320,254	\$ 7,633,816

Crown Investments Corporation of Saskatchewan

Consolidated Statement of Operations

	At December 31				
	1996	1997	1998 (Thousands)	1999	2000
Revenue					
Sales of products and services	\$ 2,909,097	\$ 2,800,401	\$ 2,546,987	\$ 2,733,787	\$ 3,125,322
Investment	102,099	82,539	99,707	49,849	65,115
Other	31,721	32,629	37,672	34,425	39,236
Total Revenue	\$ 3,042,917	\$ 2,915,569	\$ 2,684,366	\$ 2,818,061	\$ 3,229,673
Expenses					
Operating costs other than those listed below	\$ 1,921,935	\$ 1,765,849	\$ 1,625,248	\$ 1,901,171	\$ 2,190,925
Interest	422,484	376,876	367,080	317,415	293,094
Amortization of capital assets	381,978	406,175	371,156	379,917	390,747
Saskatchewan taxes and resource payments	90,652	89,422	83,857	67,611	80,834
Total Expenses	\$ 2,817,049	\$ 2,638,322	\$ 2,447,341	\$ 2,666,114	\$ 2,955,600
Earnings before the following	225,868	277,247	237,025	151,947	274,073
Non-recurring items	515,382	16,398	107,445	63,883	19,143
Net Earnings	\$ 741,250	\$ 293,645	\$ 344,470	\$ 215,830	\$ 293,216

(see accompanying notes)

CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

Notes to Financial Information

1. The foregoing financial information is unaudited but has been derived from the audited consolidated financial statements of Crown Investments Corporation of Saskatchewan. The foregoing narrative description is unaudited.
2. Certain of the 1999 comparative figures have been reclassified to conform with the current year's presentation. Figures for 1996 through 1998 have not been similarly reclassified.

GOVERNMENT OF SASKATCHEWAN SUMMARY FINANCIAL STATEMENTS

The 2000-01 Public Accounts includes the Government's summary financial statements. The Government's summary financial statements provide a full accounting of the financial affairs and resources of all entities for which the Government is responsible. The financial transactions of the General Revenue Fund, provincial Crown corporations, agencies, boards and commissions are included in the Government's summary financial statements.

The Government's summary financial statements for the year ended March 31, 2001, are reproduced in whole commencing on page 63.

Government of Saskatchewan Responsibility for Summary Financial Statements

The Government is responsible for the Summary Financial Statements. The Government maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to get reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained.

The Provincial Comptroller prepares these statements following the Government's stated accounting policies and using the Government's best estimates and judgement when appropriate. He uses information from the accounts of the General Revenue Fund, Crown corporations, agencies, and other funds to prepare these statements.

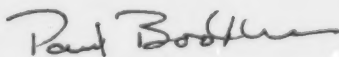
The Provincial Auditor expresses an independent opinion on these statements. His report states the scope of his audit and opinion and appears on the following page.

Treasury Board approves the Summary Financial Statements. The Minister of Finance tables the statements in the Legislative Assembly as part of the Public Accounts. The Legislative Assembly refers the Public Accounts to the Standing Committee on Public Accounts for review.

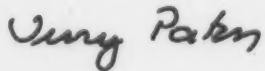
On behalf of the Government of the Province of Saskatchewan.



Eric Cline
Minister of Finance



Paul Boothe
Deputy Minister of Finance



Terry Paton
Provincial Comptroller

Regina, Saskatchewan
June 2001

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Auditor's Report

**To the Members of the Legislative Assembly
of Saskatchewan**

I have audited the summary statement of financial assets, liabilities, and accumulated deficit of the Government of Saskatchewan as at March 31, 2001 and the summary statements of revenue, expenditure, and accumulated deficit and of cash flow for the year then ended. These financial statements are the responsibility of Treasury Board. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these summary financial statements present fairly, in all material respects, the financial position of the Government of Saskatchewan as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for governments.

Regina, Saskatchewan
June 5, 2001
Auditor

Fred Wendel, CMA, CA
Acting Provincial

Government of Saskatchewan

Summary Statement of Financial Assets, Liabilities, and Accumulated Deficit

As at March 31, 2001

		(thousands of dollars)	
		2001	2000
Schedule			(Restated)
Financial Assets			
	Cash and temporary investments (note 2).....	\$ 884,053	\$ 794,687
	Prepaid expenditures.....	23,387	15,978
1	Accounts receivable.....	660,989	802,282
	Inventories held for resale.....	6,587	5,729
	Land held for resale (note 3).....	128,894	130,980
	Deferred charges.....	65,947	42,480
	Deferred foreign exchange loss.....	234,326	162,074
2	Loans and mortgages receivable.....	142,229	159,679
3	Investment in government enterprises.....	2,458,377	3,055,582
4	Other investments.....	851,331	747,150
Total Financial Assets		5,456,120	5,916,801
Liabilities			
5	Accounts payable and accrued liabilities.....	1,156,684	1,449,609
6	Other liabilities.....	80,404	721,535
	Unearned revenue.....	212,378	192,496
7, 8 & 9	Public debt.....	8,032,557	8,176,819
	Pension liabilities (note 6).....	3,912,647	3,801,046
Total Liabilities		13,374,670	14,341,505
Accumulated Deficit		\$ (7,918,550)	\$ (8,424,904)

(See accompanying notes)

- Tangible capital assets (note 4)
- Contingencies and commitments (notes 11 and 12)
- 10 Guaranteed debt

Government of Saskatchewan

Summary Statement of Revenue, Expenditure, and Accumulated Deficit

For the Year Ended March 31, 2001

Schedule	(thousands of dollars)	
	2001	2000 (Restated)
Revenue		
11 Taxation.....	\$ 3,203,256	\$ 3,223,784
11 Non-renewable resources.....	1,292,714	943,150
11 Other own-source revenue.....	923,743	908,981
11 Transfers from the federal government.....	1,028,823	1,553,575
Total Revenue	6,448,536	6,629,490
Expenditure		
Agriculture.....	321,524	692,655
Community development.....	176,106	158,324
Debt charges (note 8).....	947,229	1,025,709
Economic development.....	127,328	89,162
Education.....	1,018,884	901,587
Environment and natural resources	148,558	168,439
Health.....	2,223,259	2,173,774
Protection of persons and property.....	265,584	261,910
Social services and assistance.....	782,481	785,054
Transportation.....	302,904	273,232
Other.....	292,401	255,620
Total Expenditure (note 9)	6,606,258	6,785,466
Deficit from government service organizations.....	(157,722)	(155,976)
3 Income from government enterprises.....	664,076	574,414
Surplus for the Year.....	506,354	418,438
Accumulated deficit, beginning of year.....	(8,424,904)	(8,843,342)
Accumulated Deficit, End of Year (note 7)	\$ (7,918,550)	\$ (8,424,904)

(See accompanying notes)

Government of Saskatchewan Summary Statement of Cash Flow

For the Year Ended March 31, 2001

Schedule	(thousands of dollars)	
	2001	2000 (Restated)
Operating Activities		
Surplus for the year.....	\$ 506,354	\$ 418,438
Add (deduct) non-cash items		
3 Income from government enterprises.....	(664,076)	(574,414)
Amortization of foreign exchange gains and losses.....	14,095	5,973
12 Gain on investments.....	(69,950)	(31,821)
Provision for (reduction of) loan/mortgage losses.....	2,513	(14,958)
Dividends received from investments.....	761	3,211
3 Dividends received from government enterprises.....	1,261,261	172,484
13 Net change in non-cash operating activities.....	(163,504)	(164,580)
Cash Provided by (Used for) Operating Activities	887,474	(195,687)
Investing Activities		
Disposal of land held for resale	2,086	2,013
Net decrease in loans and mortgages receivable.....	14,937	36,604
Acquisition of other investments.....	(87,053)	(66,672)
Disposition of other investments.....	52,060	112,050
Increase in other investments, beginning of year (note 15).....	-	(26,235)
Cash (Used for) Provided by Investing Activities	(17,970)	57,760
Financing Activities		
Proceeds from public debt.....	1,423,242	1,349,994
Repayment of public debt.....	(1,653,850)	(1,424,144)
Increase in public debt, beginning of year (note 15).....	-	89,932
(Decrease) increase in pension and other liabilities.....	(549,530)	373,253
Cash (Used for) Provided by Financing Activities	(780,138)	389,035
Increase in cash and temporary investments	89,366	261,108
Cash and temporary investments, beginning of year.....	794,887	533,579
Cash and Temporary Investments, End of Year	\$ 884,053	\$ 794,687

(See accompanying notes)

Government of Saskatchewan

Notes to the Summary Financial Statements

For the Year Ended March 31, 2001

1. Significant Accounting Policies

These Summary Financial Statements are prepared using accounting principles appropriate for government and reflect the following significant accounting policies:

a) Reporting entity

These financial statements report the financial activities of organizations which are accountable for the administration of their financial affairs and resources either to a Minister of the Government or directly to the Legislative Assembly and which are owned or controlled by the Government.

Trusts administered by the Government are excluded from the reporting entity.

A listing of organizations included in the reporting entity is provided in schedule 14. Unless otherwise noted, the financial activities of all subsidiaries of these organizations have also been included.

b) Method of consolidation

The accounts of all government organizations, except those designated as government enterprises, are consolidated after adjusting them to a basis consistent with the accounting policies described in note 1(c). These organizations are referred to as government service organizations. Significant inter-organization accounts and transactions are eliminated.

Government enterprises are defined as self-sufficient organizations that have the financial and operating authority to sell goods and services to individuals and non-government organizations as their principal activity.

Government enterprises are recorded using the modified equity method. The Government's investment, which is initially recorded at cost, is adjusted annually to include the net earnings/losses and other net equity changes of the enterprise without adjusting them to conform with the accounting policies described below. Inter-organization accounts and transactions are not eliminated.

Financial results of government organizations whose fiscal year-ends are not March 31 are not adjusted unless the effect of such an adjustment would be significant to the consolidated operating results.

c) Basis of accounting

The accrual basis of accounting is used and specifically expressed as follows:

Revenue

Revenues are recorded on the accrual basis except for receipts from the federal government for corporate and personal income taxes, which are recorded on the cash basis. Government transfers are recognized as revenue in the period during which the transfer is authorized and any eligibility criteria are met.

Expenditure

Expenditures are recorded on the accrual basis and include the cost of tangible capital assets and inventories of supplies acquired during the year. Government transfers are recognized as expenditures in the period during which the transfer is authorized and any eligibility criteria are met.

Assets

Financial assets are those assets on hand at the end of an accounting period which could provide resources to discharge existing liabilities or finance future operations.

Temporary investments are recorded at cost which approximates market value.

Inventories held for resale are recorded at the lower of cost and net realizable value. *Inventories of supplies* are recorded as an expenditure in the period acquired.

Land held for resale is valued at the lower of cost or net realizable value, on an aggregate basis.

Deferred charges include issue costs and net discounts or premiums incurred on the issue of long-term debt. They are recorded at cost and amortized on a straight line basis over the remaining life of the debt issue.

Government of Saskatchewan Notes to the Summary Financial Statements

Deferred foreign exchange loss includes net unrealized foreign exchange gains and losses resulting from the conversion of debentures due and sinking funds held in a foreign currency to the Canadian dollar equivalent at the exchange rate in effect at March 31. Realized foreign exchange gains and losses are included in the surplus or deficit for the year. Unrealized foreign exchange gains and losses are amortized on a straight line basis over the remaining life of the debt issue.

Loans and mortgages receivable are initially recorded at cost. Where there has been a loss in value that is other than a temporary decline, the loan or mortgage is written down to recognize the loss. Interest is recognized on the accrual basis except in some cases where collection is uncertain. In these cases, interest is recorded on the cash basis.

Other investments are made up of equity investments, portfolio investments, bonds, debentures and other advances, and property holdings. Equity investments include government business partnerships. Other investments are accounted for by various methods as described below and are written down to their fair value when there is evidence of a permanent decline in their value.

Equity investments exist when the Government holds shares of private or public companies and exercises significant influence but has less than a controlling interest or when the Government has shared control, as in government business partnerships. These investments are accounted for by the modified equity method. Using this method, the carrying value of the investment is adjusted for the Government's share of the investee's net earnings or losses and is reduced by dividends and partnership distributions received from these investments.

Government business partnerships are equity investments where there is a contractual arrangement between the Government and a party outside the reporting entity and where the partners share on an equitable basis the significant risks and benefits associated with operating the partnership. The partnership is a self-sufficient organization that has the financial and operating authority to sell goods and services to individuals and non-government organizations as its principal activity. Government business partnerships are recorded using the modified equity method.

Portfolio investments exist when the Government holds shares of private or public companies and the Government does not exercise significant influence. Portfolio investments are recorded at cost and dividends from these shares are recorded as income when receivable.

Bonds, debentures and other advances are recorded at amortized cost.

Tangible capital assets held by government service organizations are recorded as an expenditure in the period acquired. Capital assets held by government enterprises, as disclosed on schedule 3, are generally recorded at cost and amortized on a straight line basis over the estimated productive life of each asset.

Liabilities

Reported liabilities include obligations to outside organizations and individuals as a result of transactions and events occurring prior to year end. They are the result of financial obligations to repay borrowing or to pay for goods and services acquired prior to year end and of revenue, received or receivable, where goods or services will be delivered in the future.

Unearned revenue is revenue that will be earned in a subsequent fiscal year and includes revenue for Crown mineral leases, licence and service fees and restricted funding from the federal government and other organizations.

Public debt consists of promissory notes, debentures and bank indebtedness of government service organizations which are recorded net of amounts reimbursable from government enterprises. Public debt is recorded at par. Premiums, discounts and issue costs are recorded as deferred charges and are amortized on a straight line basis over the remaining life of the debt issue.

Certain debenture issues require contributions to a sinking fund. These obligations are recorded at principal less sinking fund balances where applicable. Premiums and discounts on long-term investments within the sinking fund are amortized by the type of security on a constant yield basis.

Debt issues and sinking funds' investments held in foreign currencies are converted to the Canadian dollar equivalent at the exchange rate in effect at March 31.

Where borrowing is used to finance loans to government enterprises, all expenses are charged directly to government enterprises.

Pension liabilities are calculated using the projected benefit method prorated on services. Pension fund assets are valued at market related values. Changes in the pension liabilities as a result of estimation adjustments due to experience gains and losses and changes in actuarial assumptions are amortized on a straight line basis over the expected average remaining service life of the related employee group. Gains or losses as a result of plan amendments are recognized in the period of the plan amendment.

Guaranteed debt includes guarantees of the Government made through specific agreements or legislation to repay promissory notes, bank loans, lines of credit, mortgages and other securities. Loss provisions on guaranteed debt are recorded when it is likely that a loss will occur. The amount of the loss provision represents the Government's best estimate of future payments less recoveries. The loss provision is recorded as a liability and an expenditure in the year determined and is adjusted as necessary to ensure it equals the expected payout of the guarantee.

Government of Saskatchewan

Notes to the Summary Financial Statements

2. Cash and Temporary Investments

Temporary investments are generally for less than 30 days and have an average effective interest rate of 5.0 per cent.

3. Land Held for Resale

The estimated net realizable value of the Government's land held for resale at March 31, 2001 is \$218.4 million (2000 - \$229.4 million).

4. Tangible Capital Assets

The Government has a significant investment in tangible capital assets that have a useful life of greater than one year. For government service organizations, tangible capital assets are recorded as an expenditure in the period acquired and are not included in the Statement of Financial Assets, Liabilities, and Accumulated Deficit. These assets are a key component in the delivery of government programs and provide on-going value to the public.

In the current year, government service organizations acquired tangible capital assets costing \$168.6 million (2000 - \$191.3 million). The following table includes the tangible capital assets held by government service organizations and does not include assets acquired by right, heritage assets and certain assets available for public use.

	(thousands of dollars)							
	2001						2000	
	Land	Buildings	Machinery & Equipment	Vehicles	Capital Leases	Other ¹	Total	Total
<i>Estimated useful life</i>	<i>Indefinite</i>	<i>3 - 60 years</i>	<i>1 - 40 years</i>	<i>3 - 20 years</i>	<i>Varies</i>	<i>1 - 50 years</i>		
Opening cost.....	\$76,980	\$2,094,186	\$709,390	\$148,168	\$67,970	\$141,177	\$3,237,871	\$2,532,876
Adjustment to opening cost (note 15).....	-	-	-	-	-	-	-	562,751
Reclassification ²	-	10,872	52,639	(78,757)	5,175	10,071	-	-
Additions.....	1,019	44,051	59,186	8,282	627	55,404	168,569	191,250
Write-downs.....	(39)	(33,921)	(790)	-	-	(5,078)	(39,828)	(533)
Disposals.....	(169)	(1,940)	(27,312)	(6,784)	(4,277)	(12,341)	(52,823)	(48,473)
Closing cost of tangible capital assets.....	77,791	2,113,248	793,113	70,909	69,495	189,233	3,313,789	3,237,871
Opening accumulated amortization.....	-	682,345	474,160	75,437	40,031	57,952	1,329,925	953,899
Adjustment to opening accumulated amortization (note 15).....	-	-	-	-	-	-	-	267,015
Reclassification ²	-	-	22,024	(33,089)	3,419	7,646	-	-
Annual amortization.....	-	74,307	67,465	5,802	3,985	16,503	168,062	151,876
Write-downs.....	-	(30,801)	(659)	-	-	(1,268)	(32,728)	(465)
Disposals.....	-	(5,739)	(20,601)	(5,041)	(4,016)	(11,512)	(46,909)	(42,400)
Closing accumulated amortization.....	-	720,112	542,389	43,109	43,419	69,321	1,418,350	1,329,925
Net Book Value of Tangible Capital Assets.....	\$77,791	\$1,393,136	\$250,724	\$27,800	\$26,076	\$119,912	\$1,895,439	\$1,907,946

¹ Includes construction in progress, computer software, furniture and office equipment, aircraft and other tangible capital assets.

² Includes the reclassification of construction in progress completed during the period.

Government of Saskatchewan Notes to the Summary Financial Statements

5. Measurement Uncertainty

Uncertainty in the determination of the amount at which an item is recognized in financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonably possible amount.

Measurement uncertainty exists in these financial statements in the accrual of pension obligations, non-renewable resources royalties, site restoration obligations, accident claims obligations, the federal government's Equalization and Canada Health and Social Transfer payments, and in the valuation of loans where repayment is contingent upon an organization's cash flows. The uncertainty arises from factors such as the effect on accrued pension obligations of actual experience compared to actuarial estimations and assumptions; the effect on accrued royalties of price and production sensitivities in the royalty structures; the effect on site restoration obligations of actual experience compared to historical estimations and assumptions; the effect on accrued accident claims obligations of actual experience compared to actuarial estimations and assumptions; the effect on transfers from the federal government of changes in economic and demographic conditions in the Province and the country; and the effect of commodity prices on cash flows. Management considers that it is reasonably possible that changes in future conditions in the near term could require a material change in the amounts recognized. Near term is defined as a period of time not to exceed one year from the date of the financial statements.

6. Pension Liabilities

The Government of Saskatchewan sponsors several defined benefit and defined contribution pension plans for a significant number of its employees and for members of the Legislative Assembly.

Defined benefit pension plans provide benefits based on length of service and pensionable earnings. A typical defined benefit pension plan provides pensions equal to 2 per cent of a member's average five years highest salary, multiplied by the years of service to a maximum of 35 years. Members contribute a percentage of salary, which may vary based on age, to their pension plan. Pensions and contribution rates are integrated with the Canada Pension Plan.

Actuarial valuations are performed at least triennially. These valuations are extrapolated by an actuary when a valuation is not done in the current fiscal year. Valuations are based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. These assumptions reflect estimates of expected long-term rates and short-term forecasts. The long-term inflation rate is estimated between 2.6 and 3.75 per cent. Other estimates vary based on the individual plan.

The accrued benefit obligation is determined using the projected benefit method prorated on services. Pension fund assets are valued at market related values based on actual market values averaged over a four year period. In the periods between valuations, the actuary estimates the market related value of pension fund assets using expected long-term rates of return for the individual plans.

Defined contribution plans provide pensions based on accumulated contributions and investment earnings. Employees contribute a percentage of salary. The Government matches employee current service contributions.

Pension fund assets of government sponsored defined benefit and defined contribution pension plans are invested in fixed income securities, equities, real estate and short-term monetary items. The investment in Government of Saskatchewan securities is insignificant for all plans.

a) Government Service Organizations

Defined benefit pension plans

The two main plans of government service organizations are the Teachers' Superannuation Plan (TSP) and the Public Service Superannuation Plan (PSSP). Other plans include Members of the Legislative Assembly Superannuation Plan (MLA), Judges of the Provincial Court Superannuation Plan (Judges), Saskatchewan Transportation Company Employees Superannuation Plan, Anti-TB League Employees Superannuation Plan and the Saskatchewan Pension Annuity Fund, an annuity underwriting operation.

The TSP provides inflation protection equal to 80 per cent of the annual increase in the Consumer Price Index. Other plans provide inflation indexing at the discretion of the Lieutenant Governor in Council.

The Government is required to match member current service contributions for all plans except Judges and the PSSP. Separate pension funds are maintained for all plans except the PSSP. PSSP member contributions are deposited into the General Revenue Fund. All pension obligations arising under the PSSP are paid from the General Revenue Fund.

Government of Saskatchewan

Notes to the Summary Financial Statements

Information on the defined benefit pension plans of government service organizations follows:

	2001				2000
	TSP	PSSP	Others	Total	Total
Plan status.....	closed	closed	closed ¹	n/a	n/a
Member contribution rate, percentage of salary	7.85	7.0 - 9.0 ²	5.0 - 9.0 ²	n/a	n/a
Number of active members	6,177	2,192	92	8,461	8,869
Average age of active members, years	49.3	51.4	54.8	49.9	48.6
Former members entitled to deferred pension benefits	3,994	157	11	7,162	16,555
Number of superannuates and surviving spouses	9,042	5,706	1,881	16,629	16,543
Member contributions (thousands of dollars)	\$ 23,000	\$ 6,245	\$ 382	\$ 29,627	\$ 28,646
Government contributions (thousands of dollars)	50,000	-	4,803	54,803	94,802
Benefits paid (thousands of dollars)	208,385	91,377	6,568	306,930	291,762

¹ Judges is open to new membership, all other plans are closed.

² Contribution rate varies based on age upon joining the plan.

Based on the latest actuarial valuation, extrapolated to March 31, 2001, the present value of accrued pension benefits and the market related value of pension fund assets are shown in the table below:

(thousands of dollars)

Plan Name	Actuarial Valuation Date	2001				2000	
		Accrued Benefit Obligation	Pension Fund Assets	Net Obligation	Unamortized Estimation Adjustments ¹	Recorded Pension Liabilities	Recorded Pension Liabilities
TSP ²	Jun. 30/99	\$ 3,601,000	\$ 1,605,000	\$ 1,996,000	\$ 565,028	\$ 2,561,028	\$ 2,508,353
PSSP	Sept. 30/99	1,526,619	-	1,526,619	(241,811)	1,284,808	1,230,486
Others	Various	201,922	121,642	80,280	(13,469)	66,811	62,207
Total		\$ 5,329,541	\$ 1,726,642	\$ 3,602,899	\$ 309,748	\$ 3,912,647	\$ 3,801,046

¹ Amortized to income over 1 - 13 years, the estimated average remaining service life of active plan members at the time the estimation adjustment arises.

² The TSP accrued benefit obligation includes a liability of \$67.0 million (2000 - \$63.0 million) relating to the TSP disability provision.

At March 31, 2001, the market value of plan investments was \$2.0 billion (2000 - \$2.0 billion). Of this amount, 42.4 per cent (2000 - 47.9 per cent), was invested in fixed income securities and 52.7 per cent (2000 - 48.4 per cent) in equity investments.

Defined contribution pension plans

The two main multi-employer defined contribution pension plans sponsored by the Government are the Public Employees Pension Plan (PEPP) and the Capital Pension Plan (Capital). The Government matches employee current service contributions to these plans. The Government also contributes to the Saskatchewan Teachers' Retirement Plan (STRP), sponsored by the Saskatchewan Teachers' Federation. The Government has fully funded its share of contributions to the defined contribution plans.

Information on the defined contribution pension plans of government service organizations follows:

	2001			2000	
	Government Sponsored PEPP	Capital	STRP	Total	Total
Plan status	open	open	n/a	n/a	n/a
Member contribution rate, percentage of salary	5.0 - 5.75 ¹	5.5	n/a	n/a	n/a
Government Service Organization participation:					
Number of active members	19,534	589	n/a	20,123	19,133
Number of inactive members	7,965	12	n/a	7,977	7166
Member contributions (thousands of dollars)	\$ 32,226	\$ 1,417	n/a	\$ 33,643	\$ 31,186
Government contributions (thousands of dollars)	31,635	1,516	23,797	56,948	50,758

¹ Contribution rate varies based on employee group.

Government of Saskatchewan

Notes to the Summary Financial Statements

Pension expenditure

Pension expenditure for government service organizations is reported in the Summary Statement of Revenue, Expenditure, and Accumulated Deficit in both education expenditure and other expenditure. Pension interest expenditure is reported in debt charges. The total pension related expenditure of government service organizations includes the following:

	(thousands of dollars)	
	2001	2000
Defined benefit pension plans:		
Current period benefit cost.....	\$77,828	\$66,884
Amortization of estimation adjustments	(23,241)	(48,731)
	54,587	18,153
Employee contributions.....	(29,627)	(28,646)
Pension expenditure	24,960	(10,493)
Cost of financing unfunded pension obligation (pension interest expenditure).....	227,176	240,584
Total pension related expenditure, defined benefit plans	252,136	230,091
Defined contribution pension plans:		
Total pension related expenditure, defined contribution plans	56,948	50,758
Total pension related expenditure	\$309,084	\$280,849

b) Government Enterprises

Defined benefit pension plans

The two main defined benefit pension plans of government enterprises are the Power Corporation Superannuation Plan (SaskPower) and the Saskatchewan Telecommunications Pension Plan (SaskTel). Other pension plans include Saskatchewan Government Insurance Superannuation Plan, Liquor Board Superannuation Plan, and the Workers' Compensation Board Superannuation Plan.

The Government contributes the amount necessary to fund the payment of pension benefits.

At December 31, 2000, the market value of plan investments was \$1.6 billion (1999 - \$1.6 billion). Of this amount, 43.5 per cent (1999 - 40.0 per cent) was invested in fixed income securities and 45.6 per cent (1999 - 48.6 per cent) in equity investments.

Information on the defined benefit pension plans of government enterprises follows:

	2001				2000
	SaskPower	SaskTel	Others	Total	Total
Plan status	closed	closed	closed	n/a	n/a
Member contribution rate, percentage of salary	6.0 - 9.0 ¹	7.0 - 9.0 ²	6.5 - 9.0 ²	n/a	n/a
Number of active members	691	854	176	1,721	1,886
Number of former members, superannuates and surviving spouses	1,714	1,551	485	3,750	3,668
Member contributions (thousands of dollars)	\$ 1,949	\$ 2,858	\$ 432	\$ 5,239	\$ 5,557
Government contributions (thousands of dollars)	546	-	1,969	2,515	1,650
Benefits paid (thousands of dollars)	37,949	42,672	7,719	88,340	79,601

¹ Contribution rate varies based on age upon joining the plan and employee group.

² Contribution rate varies based on age upon joining the plan.

Government of Saskatchewan Notes to the Summary Financial Statements

Based on the latest actuarial valuations extrapolated to December 31, 2000, the present value of accrued pension benefits and the market related value of pension fund assets are shown in the table below.

(thousands of dollars)					
Plan Name	Actuarial Valuation Date	2001			2000 (Restated)
		Accrued Benefit Obligation	Pension Fund Assets	Pension (Surplus) Liability	Pension (Surplus) Liability
SaskPower	September 30, 2000	\$630,433	\$732,474	\$(102,041)	\$(73,907)
SaskTel	December 31, 1998	652,308	807,363	(155,055)	(150,118)
Others	Various	114,443	99,214	15,229	19,546
Total		\$ 1,397,184	\$ 1,639,051	\$ (241,867)	\$ (204,479)

Defined contribution pension plans

Information on the defined contribution pension plans of government enterprises follows:

	2001			2000 (Restated)
	PEPP	Capital	Total	Total
Plan status	open	open	n/a	n/a
Member contribution rate, percentage of salary	4.0 - 6.0 ¹	5.5	n/a	n/a
Number of active members	7,531	1,976	9,507	9,548
Number of inactive members	2,401	59	2,460	2,129
Member contributions (thousands of dollars)	\$ 15,176	\$ 3,903	\$ 19,079	\$ 17,720
Government contributions (thousands of dollars)	19,062	3,798	22,860	21,395

¹ Contribution rate varies based on employee group.

Pension expense

Pension expense and pension interest expense for government enterprises are reported in the Summary Statement of Revenue, Expenditure, and Accumulated Deficit as a component of income from government enterprises.

7. Reserves

The accumulated deficit of \$7,918.6 million consists of an unallocated deficit component of \$7,930.5 million and the Environmental Protection Reserve of \$11.9 million. The Environmental Protection Reserve was created to provide contingency funding to mitigate unforeseen environmental problems related to uranium milling. The reserve is maintained at its March 31, 1992 balance.

8. Debt Charges

(thousands of dollars)			
	2001	2000	
Total interest costs	\$ 1,217,719	\$ 1,305,840	
Less interest reimbursed from Government Enterprises	(292,530)	(293,293)	
Other costs	22,040	13,162	
Total Debt Charges	\$ 947,229	\$ 1,025,709	

Government of Saskatchewan Notes to the Summary Financial Statements

9. Expenditure by Object

Expenditure by object is reported as follows:

	(thousands of dollars)	
	2001	2000
Transfers.....	\$ 2,475,557	\$ 2,663,937
Salaries and benefits.....	1,850,836	1,763,396
Operating costs.....	977,632	960,961
Debt charges.....	947,229	1,025,709
Tangible capital asset acquisitions.....	168,569	191,250
Other.....	186,435	180,213
Total Expenditure	\$ 6,606,258	\$ 6,785,466

10. Comparison of Planned to Actual Results

A comparison of planned to actual surplus is as follows:

	(thousands of dollars)		
	2001		2000
	Planned	Actual	Actual
General Revenue Fund surplus for the year.....	\$9,414	\$57,691	\$83,479
Government enterprises' income for the year.....		664,076	574,414
Other government service organizations' surplus for the year.....		1,096,426	144,271
Dividends received from government organizations included in the surplus figures above.....		(1,261,281)	(297,464)
Adjustments to conform to the basis of accounting described in note 1(c).....		(50,558)	(86,262)
Surplus for the Year		\$506,354	\$418,438

The planned and actual figures are before elimination of inter-organization transactions.

11. Contingencies

a) Guaranteed debt

At March 31, 2001, \$386.7 million (2000 - \$444.0 million) in loans were guaranteed by the Government. Schedule 10 provides a listing of guaranteed debt.

b) Lawsuits

Up to \$53.3 million may be paid depending on the outcome of lawsuits in progress.

c) Indian and Northern Affairs Canada

The Government pays for certain social services provided to status Indians and submits claims to the federal government for the cost of these services. The Government believes these costs are the responsibility of the federal government and believes they are fully reimbursable. However, the federal government denies responsibility for a portion of these costs.

The Government is unable to determine whether or not the outstanding amounts will be reimbursed. The Government will account for any recovery resulting from the resolution of this contingency at the time of settlement. No provision for such a recovery has been made in these financial statements.

12. Commitments

Major financial commitments include:

- forward purchase commitments of \$1,810 million for coal contracted for future minimum deliveries valued at current prices;
- forward purchase commitments of approximately \$1,920 million for power over the next 24 years;

Government of Saskatchewan

Notes to the Summary Financial Statements

- treaty land entitlement agreement commitments valued at approximately \$85.9 million;
- other commitments of \$811.3 million which include commitments of \$28.7 million for agriculture, \$14.8 million for community development, \$42.6 million for economic development, \$16.0 million for education, \$63.8 million for health, \$11.9 million for protection of persons and property, \$127.2 million for social services and assistance, and \$104.1 million for transportation; and,
- capital and operating lease obligations as follows:

	(thousands of dollars)	
	Operating	Capital
Future minimum lease payments		
2001-02	\$48,923	\$12,097
2002-03	47,488	11,773
2003-04	41,906	11,207
2004-05	36,596	10,662
2005-06	34,346	9,257
Thereafter	27,308	43,338
	236,567	98,334
Less: Interest and executory costs	-	(50,773)
Total Lease Obligations	\$236,567	\$47,561

Total operating lease obligations include \$157.6 million for government service organizations and \$79.0 million for government enterprises.

Total capital lease obligations relate entirely to government service organizations (schedule 5).

13. Trust Funds

Trust funds are property held and administered on behalf of beneficiaries. Trust assets are not owned by the Government and the Government has no equity in the funds. Therefore, trust funds are not included in the reporting entity.

Fund balances held and administered by the Government at March 31, 2001, were as follows:

	(thousands of dollars)	
	2001	2000
Superannuation funds and pensions plans ¹	\$ 8,086,125	\$ 7,668,218
Public Trustee's Trust Account	135,357	143,860
Other trusts	39,543	41,690
Total Trust Funds	\$ 8,261,025	\$ 7,853,768

¹ The balance reflects the latest financial statements of the funds and plans closest to March 31, 2001.

14. Comparative Figures

Certain of the 2000 comparative figures have been reclassified to conform with the current year's presentation.

15. District Health Boards

The inclusion of the additional 29 District Health Boards in the reporting entity during 1999-2000 resulted in the adjustment of certain opening balances for that year.

Government of Saskatchewan
Schedules to the Summary Financial Statements
For the Year Ended March 31, 2001

Schedule 1 - Accounts Receivable

	(thousands of dollars)	
	2001	2000
Taxation.....	\$ 142,254	\$ 126,662
Non-renewable resources.....	119,715	103,379
Transfers from the federal government.....	64,506	284,234
Leases and farm loans.....	12,543	14,557
Insurance premiums due from agriculture producers.....	6,498	9,581
Accrued interest.....	4,484	6,823
Other.....	310,989	257,026
Total Accounts Receivable	\$ 660,989	\$ 802,262

Schedule 2 - Loans and Mortgages Receivable

	(thousands of dollars)	
	2001	2000
Agricultural Loans		
Capital loan program.....	\$ 79,552	\$ 92,687
Short-term hog loan program.....	6,030	11,235
Production loan program.....	2,526	3,254
Counselling and Assistance for Farmers program.....	1,832	2,149
Livestock cash advance program.....	1,517	2,324
Other.....	749	1,020
	92,206	112,669
Provision for losses.....	(37,336)	(39,449)
	54,870	73,220
Student Loans	9,348	13,926
Provision for losses.....	(6,430)	(9,256)
	2,918	4,670
Other Loans	70,604	63,977
Provision for losses.....	(26,954)	(23,956)
	43,650	40,021
Mortgages		
Cornwall Centre.....	36,050	36,891
Housing	4,505	4,628
Other.....	236	249
	40,791	41,768
Total Loans and Mortgages Receivable	\$ 142,229	\$ 159,679

See page 79 for additional information.

Government of Saskatchewan Schedules to the Summary Financial Statements

Schedule 2 (continued) - Loans and Mortgages Receivable

Capital loan program

Loans are repayable over terms not exceeding twenty-five years and bear interest at rates between 6.0 per cent and 13.5 per cent. Security on individual loans varies and may include mortgages on real property, security agreements and guarantees. The program operates under *The Agricultural Credit Corporation of Saskatchewan Act*.

Short-term hog loan program

Loan applications were accepted under this program between January 15, 1999 and July 5, 1999 for hogs marketed between November 1, 1998 and May 29, 1999. The loans are repayable, at floating interest rates, in full by March 31, 2003. Penalty interest is charged at prime plus 2 per cent. The program operates under *The Farm Financial Stability Act*.

Production loan program

Production loans were disbursed in 1986 bearing interest at 6 per cent repayable in equal principal instalments over a term of three years. Amounts in arrears are at prime plus 2 per cent. Program amendments allowed borrowers to reschedule their outstanding loans at an average rate of 9.0 per cent. The loans are secured by promissory notes and, where applicable, by guarantees and general security agreements. The program operates under *The Agricultural Credit Corporation of Saskatchewan Act*.

Counselling and Assistance for Farmers program

Effective August 1, 1992, the Government no longer issued new guarantees under this program. Existing guarantees were renewed until March 31, 1995, at which time the program was terminated. The majority of loans are in default, have judgements obtained on them and bear interest at 5 per cent. The loans are secured by way of an assignment of security from the original lender. The program operates under *The Agricultural Credit Corporation of Saskatchewan Act*.

Livestock cash advance program

Effective August 1, 1993, clients with livestock cash advances began repaying their loans, bearing interest at the bank prime rate plus 2 per cent, over a maximum five-year period. Program amendments allowed borrowers to reschedule their outstanding loans at an average rate of 9.0 per cent. The loans are secured by promissory notes and, where applicable, by guarantees. The program operates under *The Agricultural Credit Corporation of Saskatchewan Act*.

Student loans

The program operates under the authority of *The Student Assistance and Student Aid Fund Act, 1985*. Loans are interest-free until the discontinuance of full-time studies or graduation. Interest rates are prescribed by the Minister of Post-Secondary Education and Skills Training. Special incentive loan remission grants, student bursaries and/or study grants are available to students who meet specific criteria.

A Risk Sharing Student Loans Agreement between the Government and a bank was signed in March 1996. This Agreement covers loans approved between August 1, 1996 and July 31, 2001. The Government retains responsibility for loan approval. Loans approved are lender-financed, disbursed, managed and collected by the bank. The Government pays a risk premium of 5 per cent to the bank when loans become repayable.

An agreement between the Government and a bank that was in effect from October 1, 1997 to December 31, 1999, allowed the Government to transfer all loans which were not in default, had more than seven monthly payments outstanding and were not receiving interest relief. As a part of the agreement, the Government paid a risk premium of 5 per cent to the bank when the loans transferred.

Cornwall Centre mortgages

The Government holds two mortgages due jointly from Cadillac Fairview Corporation Limited and 1381052 ONTARIO INC. These mortgages mature December 1, 2001 and are repayable in blended monthly installments with mortgage rates of 9.63 per cent and 11.63 per cent respectively.

Housing mortgages and loans

Housing mortgages and loans were provided pursuant to provisions of Section 15 of *The Saskatchewan Housing Corporation Act*. The loans and mortgages are repayable, at various interest rates, over terms not exceeding thirty-five years. Security on the loans and mortgages may include promissory notes or charges against residential property.

**Government of Saskatchewan
Schedules to the Summary Financial Statements**

Schedule 3 - Investment in Government Enterprises

	SeekEnergy Incorporated Dec. 31, 2000	Saskatchewan Power Corporation Dec. 31, 2000	Saskatchewan Telecom- munications Holding Corporation Dec. 31, 2000	Saskatchewan Liquor and Gaming Authority Mar. 31, 2001	Saskatchewan Gaming Corporation Mar. 31, 2001
Assets					
Cash and temporary investments					
Due from government organizations.....	\$			12,925	
Other.....	1,176	68,266	(8,737)	2,707	14,669
Accounts receivable					
Due from government organizations.....					
Other.....	178,942 ⁵	153,144	103,996	17,901	319
Inventories.....		104,870	10,204	14,593	155
Prepaid expenses.....	5,057	1,897	12,946	1,813	474
Long-term investments					
In the Province.....					
Other.....	7,493		81,517		
Capital assets.....	1,010,476	2,878,811	904,560	31,818	32,026
Other assets					
Due from government organizations.....					
Other.....	77,520	124,871	123,696	557	
Total Assets	1,280,664	3,331,558	1,228,182	82,314	47,843
Liabilities					
Accounts payable and accrued liabilities					
Due to government organizations.....	20,438	50,467	6,361		
Other.....	132,730	154,414	94,323	12,368	4,841
Dividends payable to government organizations.....	7,410	16,872	30,297	46,012	22,709
Debt					
Owing to government organizations.....	712,677	1,570,799	408,415		
Other.....	4,816	108	5,536		20,093
Unearned revenue					
Received from government organizations.....	2,323				
Other.....	92,393	291,395	26,311		
Unpaid insurance claims.....					
Other liabilities.....			313	23,934	
Total Liabilities	972,787	2,054,053	571,556	82,314	47,843
Net Assets (Liabilities)	\$ 307,877	1,247,806	656,626	-	-
Revenue					
Revenue from operations.....	\$ 505,993	1,092,528	764,804	634,913	63,342
Transfers from government organizations.....	11,891	16,024	14,212		
Total Revenue	517,884	1,108,552	779,016	634,913	63,342
Expenses					
Expenses from operations.....	386,102	778,328	652,990	316,854	40,633
Transfers to government organizations.....	87,358	204,526	52,123		
Total Expenses²	473,460	982,854	705,113	316,854	40,633
Income (loss) before non-recurring items.....	44,424	125,698	73,903	318,059	22,709
Non-recurring items ⁴			23,074		
Net Income (Loss) for the Year	44,424	125,698	96,977	318,059	22,709
Retained earnings (deficit) - beginning, as previously reported.....	216,322	531,248	396,928	699,094	
Restatement of prior years.....				(941)	
Dividends to government organizations.....	(24,400)	(69,133)	(87,279)	(1,016,212)	(22,709)
Retained earnings (deficit) - end of year.....	236,346	587,813	406,626		
Equity advances/share capital.....	71,531	859,993	250,000		
Net Assets (Deficiency) - End of Year	\$ 307,877	1,247,806	656,626	-	-

See page 62 for additional information.

¹ Adjustments include:

- reclassifying dividends paid by March 31, 2001; and
- reversing the loss recognized by Municipal Financing Corporation for a premium paid on an exchange of debt with the General Revenue Fund and amortizing this same loss over the term of the original debt issues.

² Net assets are restricted as disclosed in the narrative portion of this schedule on the pages following.

³ Total expenses include debt charges, net of sinking fund earnings, of \$262.3 million (2000 - \$274.2), of which \$251.2 million (2000 - \$255.2) was paid to government organizations.

(thousands of dollars)

Municipal Financing Corporation of Saskatchewan Dec. 31, 2000	Saskatchewan Government Insurance Dec. 31, 2000	Saskatchewan Auto Fund Dec. 31, 2000	Workers' Compensation Board (Saskatchewan) ² Dec. 31, 2000	Saskatchewan Government Growth Fund Management Corporation Dec. 31, 2000	Adjustments ¹	Total 2001	Total 2000 (Restated)
						12,925	\$ 673,570
46,128	16,051	80,091	48,490	866	(56,340)	213,388	213,851
	2,019	2,454				4,473	6,679
	36,621	66,335	18,306	2,238		577,802	421,611
2,398						132,218	113,879
	33,475	15,874				71,536	71,656
	3,726	9,959	6,273			19,958	15,133
29,120	229,448	589,212	800,697	4,590		1,742,677	1,630,693
	13,912	31,450	27,581	16		4,930,490	4,915,530
					25,532	352,176	301,145
77,644	335,282	795,375	901,347	7,710	(30,817)	8,057,173	8,363,747
						117,489	125,247
2,199	7,974	23,443	6,607			488,961	359,393
31	11,407	13,159	74,821	867		68,721	19,616
	1,770				(56,349)		
59,575					12,596	2,784,062	2,758,606
2,500						33,091	36,326
						2,323	2,473
	92,300	168,796				991,195	667,459
	125,470	586,848	599,926			1,312,344	1,239,727
	3,502		83,001			110,750	97,118
64,305	242,423	812,246	764,355	867	(43,753)	5,586,796	\$ 5,308,165
13,339	92,829	(16,871)	136,992	6,843	12,936	\$ 2,458,377	\$ 3,055,582
						\$ 4,001,442	\$ 3,641,259
6,068	195,387	517,639	217,862	2,706		57,700	56,128
		3,057	12,585				
6,068	195,387	520,696	230,447	2,706	-	4,089,211	3,697,387
						2,984,125	2,713,727
403	186,607	445,011	163,144	11,219	2,834	398,084	389,249
9,786	7,060	30,622	6,607			3,382,209	3,102,976
10,191	173,667	475,633	189,751	11,219	2,834	677,002	594,411
(4,123)	21,720	45,263	40,696	(8,513)	(2,834)	(12,926)	(19,997)
			(36,000)				
(4,123)	21,720	45,263	4,696	(8,513)	(2,834)	864,076	574,414
17,462	57,657	(62,134)	132,296	15,355	14,822	2,019,050	1,617,100
					941		
	(41,548)					(1,261,281)	(172,464)
13,339	37,829	(16,871)	136,992	6,842	12,929	1,421,845	2,019,050
	55,000			1	7	1,036,532	1,036,532
13,339	92,829	(16,871)	136,992	6,843	12,936	\$ 2,458,377	\$ 3,055,582

⁴ Non-recurring items include:

- a \$14 million gain on sale of one-third of the Government's 2.9% investment in Astar United Communications Limited, an \$8 million gain on sale of the Government's 29.9% investment in Regional Cable TV (Western) Inc., and a \$1 million gain on the deemed disposition of 3% of the Government's interest in Soft Tracks Enterprise Ltd. Each investment is held by Saskatchewan Telecommunications Holding Corporation; and
- \$36 million in rebates provided by the Workers' Compensation Board (Saskatchewan) to qualified employers.

⁵ Included in this amount is a Gas Cost Variance Account of \$26.1 million. This account accumulates differences between forecast and actual gas costs, expected to be recovered from customers. Subsequent to year end, it was determined that rates would not be sufficiently increased to recover the amounts accumulated in the account. Therefore, during 2001, SaskEnergy will absorb the May 31, 2001 balance in the Gas Cost Variance Account of approximately \$80 million.

Government of Saskatchewan Schedules to the Summary Financial Statements

Schedule 3 (continued) - Investment in Government Enterprises

SaskEnergy Incorporated (SaskEnergy)

SaskEnergy promotes, transports, stores and distributes natural gas in Saskatchewan.

Saskatchewan Power Corporation (SaskPower)

SaskPower generates, purchases, transmits, distributes and sells electricity and related products and services.

Saskatchewan Telecommunications Holding Corporation (SaskTel)

SaskTel markets and supplies a range of voice, data, Internet, wireless, text and image products, systems and services. Through interconnection agreements with other Canadian telecommunication companies, SaskTel is part of the national and global communications network.

Saskatchewan Liquor and Gaming Authority (SLGA)

SLGA's main functions are to control the manufacturing and distribution of beverage alcohol throughout the Province, to oversee the licensing of all establishments selling alcohol in the Province, and to maintain the integrity of all licensed gaming while ensuring maximum benefit to Saskatchewan charities.

Saskatchewan Gaming Corporation (SGC)

SGC's mandate is to manage and operate Casino Regina.

Municipal Financing Corporation of Saskatchewan (MFC)

MFC assists municipalities in financing their capital requirements.

Saskatchewan Government Insurance (SGI) & Saskatchewan Auto Fund (Auto Fund)

SGI's competitive general insurance business, SGI CANADA, offers home, tenant, farm, automobile extension and commercial coverages.

The Auto Fund, the Province's compulsory vehicle insurance program, is administered by SGI on behalf of the Government. Any net assets of the Auto Fund are for the future benefit of Saskatchewan's motoring public and are not used for the payment of dividends to the General Revenue Fund.

Workers' Compensation Board (Saskatchewan) (WCB)

WCB provides workers' compensation insurance to Saskatchewan workers and employers. Any net assets of the WCB cannot be used for the payment of dividends to the General Revenue Fund.

Saskatchewan Government Growth Fund Management Corporation (SGGF)

SGGF participates in the federal government's Immigrant Investor Program to acquire lower cost capital for investment in Saskatchewan on commercial terms. Investment funds are raised through eight subsidiary fund companies and are managed by SGGF with the assistance of a fund manager.

After March 1999, SGGF declined to participate further in the Immigrant Investor Program. The existing fund companies will continue to raise capital through existing subscription requirements and will require management by SGGF for at least the next six years.

Government of Saskatchewan Schedules to the Summary Financial Statements

Schedule 4 - Other Investments

		(thousands of dollars)	
	Partnership Interest / Voting Percentage	2001	2000 (Restated)
Equity Investments			
Government Business Partnerships			
Centennial Foods Partnership			
partnership interest.....	35.0%	\$ 19,939	\$ -
Foragen Technologies Limited Partnership			
partnership interest.....	33.3%	3,000	-
NewGrade Energy Inc.			
100 (2000 - 100) Class Y participating common shares.....	50.0%	(4,804)	(56,613)
Meadow Lake Pulp Limited Partnership			
partnership interest.....	50.0%	(33,629)	(51,802)
Other Equity Investments			
Saskferco Products Inc.			
68,449,080 (2000 - 68,449,080) Class B common shares.....	49.0%	106,079	103,014
Other.....		32,088	16,691
		122,673	11,290
Portfolio Investments			
Cameco Corporation			
5,423,123 (2000 - 5,423,123) common shares.....	9.8%	114,698	114,898
HARO Financial Corporation			
68,000,000 (2000 - 68,000,000) Class B non-voting common shares.....	-	68,000	68,000
Other.....		16,878	12,836
		199,776	195,734
Bonds, Debentures and Other Advances			
HARO Financial Corporation		162,666	204,740
Meadow Lake Pulp Limited Partnership.....		148,361	148,361
NewGrade Energy Inc.....		21,679	18,421
Other.....		58,856	53,930
		391,562	425,452
Property Holdings			
		137,320	114,674
Total Other Investments		\$ 851,331	\$ 747,150

See pages 84-86 for additional information.

Government of Saskatchewan

Schedules to the Summary Financial Statements

Schedule 4 (continued) - Other Investments

Centennial Foods Partnership (Centennial)

On August 29, 2000, the Government, through its wholly-owned subsidiary CIC Foods Inc., purchased a 35 per cent interest in Centennial. Under the terms of the partnership agreement, Centennial 2000 Inc., which holds a 65 per cent interest in Centennial, transferred operating assets and liabilities to the partnership at estimated fair market value, resulting in a net capital contribution of \$37.1 million. The Government injected cash of \$20.0 million for its 35 per cent interest in the partnership.

These financial statements include the operating results of Centennial from August 29, 2000 to its year end of October 29, 2000.

Foragen Technologies Limited Partnership (Foragen)

On October 13, 2000, the Government, through its wholly-owned subsidiary 101012875 Saskatchewan Ltd., entered into a partnership agreement with Royal Bank Ventures Inc. and SGF Soquia Inc. The Government owns 33.3 per cent of Foragen and has committed to providing \$14.0 million in equity to Foragen over the next five years. At December 31, 2000, the Government had provided \$3.0 million of this commitment.

NewGrade Energy Inc. (NewGrade)

The Government owns 50 per cent (1999 - 50 per cent) of the outstanding voting participating shares of NewGrade. The Government also holds certain promissory notes due on demand from NewGrade that bear interest at Bank of Montreal prime rate, which was 7.50 per cent at December 31, 2000 (1999 - 6.50 per cent).

In addition, should there be any operating shortfall at the end of any year, the Government will loan NewGrade up to \$2.0 million, escalated by inflation, in the form of a Subordinated Operations Fee Amount after Consumers' Co-operative Refineries Limited (CCRL) has provided its \$2.0 million Subordinated Operations Fee Amount. If these loans do not cover all cash shortfalls, then the Government will lend NewGrade up to \$4.0 million as a Cash Flow Deficiency Loan on a pro-rata basis with CCRL. If this facility is exhausted, the Government will lend NewGrade the remainder to cover any other annual operating shortfalls. These loans, if any, will bear interest at CCRL's rate of borrowing. CCRL's required Cash Flow Deficiency Loans cannot exceed \$40.0 million outstanding at any time.

During 2000, the Government provided \$3.3 million (1999 - \$18.4 million) to NewGrade under these agreements.

Meadow Lake Pulp Limited Partnership (MLPLP)

The Government, through its wholly-owned subsidiary CIC Pulp Ltd., owns a 50 per cent (1999 - 50 per cent) interest in MLPLP.

In addition to its equity interest in MLPLP, the Government has also provided the following loans:

- Participating Debenture of \$99.0 million (1999 - \$99.0 million) bearing interest at 11.15 per cent (1999 - 11.15 per cent) calculated on October 31 of each year.
- Term Loan of \$20.0 million (1999 - \$20.0 million) bearing interest at prime plus 2.0 per cent, which was 9.5 per cent at December 31, 2000 (1999 - 8.5 per cent). Interest on this loan is being paid monthly.
- Contingency Loan of \$10.9 million (1999 - \$10.9 million) bearing interest at prime plus 1.0 per cent, which was 8.5 per cent at December 31, 2000 (1999 - 7.5 per cent). Any interest outstanding and not paid on October 31 of each year is added to the principal balance.
- Guarantee Advance of \$8.0 million (1999 - \$8.0 million) bearing interest at prime plus 1.0 per cent, which was 8.5 per cent at December 31, 2000 (1999 - 7.5 per cent).
- Cash Flow Loan of \$10.5 million (1999 - \$10.5 million) bearing interest at prime plus 1.0 per cent, which was 8.5 per cent at December 31, 2000 (1999 - 7.5 per cent).

The Government records, as a separate loan (Interest Loan), the accrued interest receivable from the Participating Debenture. Interest on the Interest Loan, at 11.15 per cent, is calculated on October 31 of each year and is added to the principal balance outstanding on the loan. Interest income earned and forming part of the Interest Loan is recorded as deferred interest income due to the uncertainty of collection. The deferred interest income will be recorded as income when payments are received under the cash availability formula.

Government of Saskatchewan Schedules to the Summary Financial Statements

Schedule 4 (continued) - Other Investments

Any payments to be made on the Participating Debenture, the Contingency Loan and the Interest Loan are subject to available cash flows as defined in the loan agreements. Payments towards principal outstanding on the Term Loan are due in two equal instalments after MLPLP has fully repaid an external bank loan. The Contingency Loan, Term Loan, Participating Debenture and Interest Loan mature in 2014. The remaining balance outstanding on the Interest Loan and Participating Debenture on October 31, 2014 shall bear interest at a rate equal to the short-term cost of borrowing for the Province of Saskatchewan, which at December 31, 2000 was 5.63 per cent (1999 - 5.02 per cent), until paid in full.

During 2000, the Government continued to work with MLPLP's other major lender to financially restructure MLPLP. This restructuring began in 1998 with the Government providing MLPLP with an \$8.0 million advance under a bank loan guarantee and providing cash flow funding of \$5.0 million. Similar to the Participating Debenture and Interest Loan, accrued interest on the Guarantee Advance and Cash Flow Loan is deferred due to the uncertainty of collection. Repayment terms will be determined once the financial restructuring of MLPLP is complete.

The total deferred interest is \$275.5 million (1999 - \$229.7 million).

Due to the uncertainty of cash flows from MLPLP, the Government's Participating Debenture is shown net of a provision for loan losses of \$60.0 million (1999 - \$60.0 million).

Saskferco Products Inc. (Saskferco)

The Government holds a 49 per cent (1999 - 49 per cent) voting interest in Saskferco.

Cameco Corporation (Cameco)

At December 31, 2000, the Government owned 5,423,123 (1999 - 5,423,123) voting common shares of Cameco representing a 9.8 per cent (1999 - 9.5 per cent) interest. Included in the investment in Cameco is one Class B share which provides the Government with the ability to exercise special voting rights with respect to the location of Cameco's head office.

The market value of Cameco shares at March 31, 2001 is \$169.5 million (2000 - \$80.8 million).

HARO Financial Corporation (HARO)

To December 31, 2000, the Government had advanced \$273.0 million (1999 - \$272.7 million) to HARO to finance its ownership interest in Crown Life Insurance Company (Crown Life). In 1995, the Government exercised its right to convert \$68.0 million of these advances into 68,000,000 non-voting, fully participating equity shares of HARO.

The loan was for an initial five-year term with a maximum of four five-year renewal terms at the option of HARO. In 1998, the Government agreed to renew this loan for a second five-year term. Annual interest rates on the loan are fixed at the start of each renewal term. For the second five-year term, the interest rate on the loan is 6.64 per cent compounded annually.

Security for the loan is 100 per cent of HARO's assets, which as of December 31, 2000 consisted primarily of HARO's 64.5 per cent interest in Crown Life shares. In 1999, the Canada Life Assurance Company acquired most of the insurance operations of Crown Life. Although Crown Life's operations have significantly changed as a result of this transaction, it retained approximately \$1.4 billion in assets and certain insurance operations which will continue to be managed by Crown Life.

Payment of principal and interest is subject to available cash flow as defined in the loan agreement. Due to collection uncertainty, the Government will record interest income when payments are received. HARO made combined payments of \$47.4 million during the year. Total interest owing to the Government at the end of the year is \$146.0 million (1999 - \$136.0 million).

All unpaid principal and interest is due on December 15, 2017. On that date, any amounts outstanding will convert to 100 per cent of HARO equity shares. The Government has a unilateral right, prior to December 15, 2017, to convert no less than 25 per cent of the loan to either HARO non-voting, HARO voting or Crown Life shares. Any conversion may be subject to regulatory approval.

Ownership of the 68,000,000 of HARO's Class B non-voting common shares entitles the Government to a maximum of 100 per cent of participation rights with respect to dividends and remaining property of HARO on its liquidation or dissolution. Subject to regulatory approval, the Government has a unilateral right to exchange at any time the Class E shares for voting shares or HARO's assets.

Government of Saskatchewan Schedules to the Summary Financial Statements

Schedule 4 (continued) - Other Investments

Investment in Government Business Partnerships

The Government has invested in government business partnerships to promote economic growth and provide an economic return. At March 31, 2000, the Government's investment in government business partnerships includes Meadow Lake Pulp Limited Partnership (MLPLP) and NewGrade Energy Inc. (NewGrade). At March 31, 2001, it also includes Centennial Foods Partnership (Centennial) and Foragen Technologies Limited Partnership (Foragen), two new partnerships entered into during the year. Centennial is a value-added food manufacturing and food service distribution business that is expanding its processing operations into Saskatchewan. Foragen is a venture capital fund which will offer seed capital to technology corporations. MLPLP operates a pulp mill near Meadow Lake and NewGrade operates a heavy oil upgrading plant in Regina. The Government holds a 35 per cent share in Centennial, 33.3 per cent share in Foragen and 50 per cent share in each of MLPLP and NewGrade. With the exception of Foragen, these investments are accounted for using the modified equity method. For 2000-01 only, due to limited activity since the formation of the partnership, Foragen is recorded at cost and is not included in the condensed financial information for government business partnerships.

	(thousands of dollars)	
	2001	2000
		(Restated)
Condensed Financial Information for Government Business Partnerships:		
Assets		
Capital assets	\$ 303,993	\$ 318,139
Other assets	277,639	166,801
Total Assets	581,632	484,940
Liabilities		
Debt		
Owing to government organizations	515,076	466,106
Other	269,573	343,780
Other liabilities	113,647	140,438
Total Liabilities	898,296	950,324
Net Liabilities	\$ (316,664)	\$ (465,384)
Operating Results		
Revenue	\$ 1,236,862	\$ 876,405
Expenses	1,143,887	890,237
Net Operating Results for the Year	92,975	(13,832)
Net Operating Deficiency - beginning of year	(576,261)	(523,517)
Effect of partnership dissolution	-	(38,912)
Net Operating Deficiency - end of year	(483,286)	(576,261)
Equity advances/share capital (net of partnership distributions)	166,622	110,877
Net Deficiency - End of Year	\$ (316,664)	\$ (465,384)
Investment in Government Business Partnerships:		
Government's share of accumulated Net Operating Deficiency	\$ (241,617)	\$ (268,131)
Government's investment ¹	88,927	64,806
Adjustments ²	137,196	114,910
Total Investment in Government Business Partnerships ³	\$ (15,494)	\$ (108,415)

¹ Government's investment includes the Government's initial investment net of partnership distributions as well as subsequent cash injections provided under various terms and conditions.

² Adjustments include:

- elimination of expenditures included in the Government's share of accumulated operating deficiency above and also consolidated as part of the operations of Government Service Organizations.
- recording additional operating expenditures incurred by the Government's subsidiaries through which the Government has made these investments.

³ Total investment in government business partnerships includes:

Centennial Foods Partnership	\$ 19,939	\$ -
Foragen Technologies Limited Partnership	3,000	-
NewGrade Energy Inc.	(4,804)	(56,613)
Meadow Lake Pulp Limited Partnership	(33,629)	(51,802)
	\$ (15,494)	\$ (108,415)

**Government of Saskatchewan
Schedules to the Summary Financial Statements**

Schedule 5 - Accounts Payable and Accrued Liabilities

	(thousands of dollars)	
	2001	2000
Transfers.....	\$ 268,134	\$ 501,792
Supplier payments.....	194,568	183,144
Accrued interest.....	189,662	224,666
Accrued employee benefits.....	161,359	146,948
Transfers to the federal government.....	107,546	154,980
Public employee benefit plans claims payable.....	62,830	58,265
Capital lease obligations (note 12).....	47,561	51,626
Other.....	125,024	128,188
Total Accounts Payable and Accrued Liabilities	\$ 1,156,684	\$ 1,449,609

Schedule 6 - Other Liabilities

	(thousands of dollars)	
	2001	2000
Funds held on behalf of government enterprises and others		
Saskatchewan Liquor and Gaming Authority.....	\$ 12,925	\$ 673,570
Queen's Bench Court Accounts.....	9,614	10,002
Public Employees' Pension Plan.....	5,714	9,193
Teachers' Superannuation Commission.....	4,171	3,135
Others.....	21,078	20,693
	53,502	716,593
Other.....	6,902	4,942
Total Other Liabilities	\$ 60,404	\$ 721,535

Government of Saskatchewan Schedules to the Summary Financial Statements

Schedule 7 - Public Debt

(thousands of dollars)				
	2001		2000	
	Gross Public Debt	Less Sinking Funds ¹	Public Debt	Public Debt
Government Service Organizations				
General Revenue Fund	\$ 7,912,755	\$ 507,276	\$ 7,405,479	\$ 7,525,371
Saskatchewan Housing Corporation.....	174,790	949	173,841	192,349
Saskatchewan Opportunities Corporation.....	152,065	1,813	150,252	125,843
District Health Boards.....	124,622	-	124,622	126,551
Agricultural Credit Corporation of Saskatchewan.....	66,951	7,116	59,835	77,894
Crown Investments Corporation of Saskatchewan (non-consolidated)	276,195	232,992	43,203	58,656
Saskatchewan Water Corporation.....	41,435	2,832	38,603	62,024
Information Services Corporation of Saskatchewan.....	30,246	-	30,246	6,930
Other.....	6,476	-	6,476	1,201
Debt of Government Service Organizations	8,785,535	752,978	8,032,557	8,176,819
Government Enterprises				
Saskatchewan Power Corporation.....	1,660,718	77,217	1,583,501	1,542,426
SaskEnergy Incorporated.....	771,936	54,443	717,493	730,632
Saskatchewan Telecommunications Holding Corporation.....	445,807	31,856	413,951	408,824
Municipal Financing Corporation of Saskatchewan.....	62,075	-	62,075	90,991
Saskatchewan Gaming Corporation.....	20,093	-	20,093	24,059
	2,960,629	163,516	2,797,113	2,796,932
Adjustments to March 31.....	205,938	(39,870)	245,808	84,155
Debt of Government Enterprises²	3,166,567	123,646	3,042,921	2,881,087
Total Public Debt⁴	\$ 11,952,102	\$ 876,624	\$ 11,075,478	\$ 11,057,906

Debt repayable in foreign currency has been restated in Canadian dollar equivalents.

¹ General Revenue Fund debt is shown net of \$3,010.7 million (2000 - \$2,843.8 million) reimbursable from government enterprises, \$468.3 million (2000 - \$499.8 million) reimbursable from government service organizations, and \$0 (2000 - \$2.3 million) borrowed from other government service organizations.

² The debt of government enterprises is as presented in their audited financial statements closest to March 31, 2001. The balance is adjusted for the net change to March 31, 2001.

³ See Schedule 8 for information on sinking funds.

⁴ See Schedule 9 for information on debt by maturity.

Government of Saskatchewan Schedules to the Summary Financial Statements

Schedule 8 - Sinking Funds

(thousands of dollars)

	2000	2001				
	Sinking Funds	Contributions	Earnings	Redemptions	Less Currency Adjustment	Sinking Funds
Government Service Organizations						
General Revenue Fund.....	\$ 402,480	\$ 52,669	\$ 36,256	\$ -	\$ 15,871	\$ 507,276
Crown Investments Corporation of Saskatchewan (non-consolidated)	217,539	-	15,453	-	-	232,992
Agricultural Credit Corporation of Saskatchewan.....	157,657	6,000	7,104	163,645	-	7,116
Saskatchewan Water Corporation.....	2,361	302	169	-	-	2,832
Saskatchewan Opportunities Corporation.....	863	850	100	-	-	1,813
Saskatchewan Housing Corporation.....	322	585	42	-	-	949
Sinking Funds of Government Service Organizations	781,222	60,406	59,124	163,645	15,871	752,976
Government Enterprises						
Saskatchewan Power Corporation.....	137,844	8,610	6,722	77,513	1,554	77,217
Saskatchewan Telecommunications Holding Corporation.....	60,086	3,178	3,967	36,023	650	31,856
SaskEnergy Incorporated.....	46,133	4,869	3,441	-	-	54,443
	244,063	16,655	14,130	113,536	2,204	163,516
Adjustments to March 31.....	(28,708)	2,142	541	15,989	2,144	(39,870)
Sinking Funds of Government Enterprises	215,355	18,797	14,671	129,525	4,348	123,646
Total Sinking Funds	\$ 996,577	\$ 79,203	\$ 73,795	\$ 293,170	\$ 20,219	\$ 876,624

The market value of sinking funds, at March 31, 2001, is \$890.3 million (2000 - \$994.0 million).

Sinking fund earnings include gains on investment sales of \$7.5 million (2000 - losses of \$5.6 million).

Annual contributions, when established by Order in Council, are set at not less than one per cent of debentures outstanding. The redemption value is based on the market value of the sinking fund units at the date of redemption.

The aggregate amount of contributions estimated to be required in each of the next five fiscal years to meet sinking fund requirements are:

(thousands of dollars)

	Government Service Organizations	Government Enterprises	Total
2001-02.....	\$ 62,836	\$ 16,692	\$ 79,528
2002-03.....	62,836	16,692	79,528
2003-04.....	62,836	16,692	79,528
2004-05.....	59,969	15,904	75,873
2005-06.....	50,409	15,904	66,313
	\$ 298,886	\$ 81,884	\$ 380,770

Sinking fund assets have been invested as follows:

(thousands of dollars)

	2001	2000 (Restated)
Long-term Investments		
Province of Saskatchewan securities; coupon interest range 5.5% to 10.3%; maturing in 2.3 to 27.9 years.....	\$ 370,036	\$ 556,826
Government of Canada securities; coupon interest range 5.0% to 6.5%; maturing in 2.4 to 28.2 years.....	43,291	23,949
Other provincial governments' securities; coupon interest range 5.3% to 10.3%; maturing in 2.7 to 38.3 years.....	275,634	238,448
Government of the United States securities; coupon interest rate 6.3%; maturing in 29.1 years.....	17,558	-
Other long term investments; coupon interest rate 8.3%; maturing in 15.4 years.....	12,951	-
Cash, short term investments and accrued interest.....	157,154	177,354
Total Sinking Funds	\$ 876,624	\$ 996,577

Short term investments include \$135.7 million (2000 - \$66.5 million) Province of Saskatchewan securities.

Cash, short term investments and accrued interest are disclosed net of \$7.9 million (2000 - \$3.8 million) in liabilities.

Included are U.S. dollar cash, investments and accrued interest converted to \$289.6 million Canadian (2000 - \$225.9 million) at the exchange rate in effect at March 31, 2001 of 1.5774 (March 31, 2000 - 1.4535).

**Government of Saskatchewan
Schedules to the Summary Financial Statements**

Schedule 9 - Public Debt by Maturity

(thousands of dollars)						
Year of Maturity	2001			Average Coupon Rate	2000	
	Canadian Dollar Debt	U.S. Dollar Debt (CDN \$)	Total (CDN \$)		Total (CDN\$)	Average Coupon Rate
Government Service Organizations						
Short-term promissory notes.....	\$ 392,100	\$ -	\$ 392,100	5.01%	\$ 345,300	5.12%
2000-01.....	-	-	-	-	1,252,122	10.28%
2001-02.....	791,515	-	791,515	8.42%	833,594	8.18%
2002-03.....	385,870	-	385,870	9.96%	397,617	9.29%
2003-04.....	374,010	-	374,010	7.41%	415,846	7.04%
2004-05.....	1,126,578	-	1,126,578	8.49%	1,525,847	7.55%
2005-06.....	721,859	-	721,859	6.30%	-	-
1-5 years	3,791,932	-	3,791,932		4,770,326	
6-10 years.....	2,248,415	-	2,248,415	6.97%	1,766,771	7.16%
11-15 years.....	1,082,835	670,395	1,753,230	8.74%	1,769,789	8.90%
16-20 years.....	95,998	473,220	569,218	8.74%	54,755	6.43%
21-25 years.....	15,000	157,740	172,740	8.60%	596,400	9.05%
Thereafter.....	250,000	-	250,000	5.75%	-	-
	<u>\$ 7,484,180</u>	<u>\$ 1,301,355</u>	<u>8,785,535</u>		<u>8,958,041</u>	
Less: Sinking funds			(752,978)		(781,222)	
Debt of Government Service Organizations			8,032,557		8,176,819	
Government Enterprises						
Short term promissory notes.....	\$ 241,000	\$ -	\$ 241,000	5.01%	14,700	5.12%
2000-01.....	-	-	-	-	87,745	10.86%
2001-02.....	43,579	-	43,579	13.39%	36,285	15.21%
2002-03.....	16,529	-	16,529	13.36%	385,423	12.50%
2003-04.....	97,280	78,870	176,150	9.35%	170,030	9.45%
2004-05.....	205,878	-	205,878	11.52%	205,966	11.52%
2005-06.....	189,259	-	189,259	9.88%	-	-
1-5 years	793,525	78,870	872,395		900,149	
6-10 years.....	612,415	306,015	918,430	7.96%	926,064	8.73%
11-15 years.....	11,495	118,305	129,800	7.54%	109,013	7.38%
16-20 years.....	35,166	315,480	350,646	9.10%	-	-
21-25 years.....	415,000	315,480	730,480	8.92%	821,400	9.13%
Thereafter.....	164,816	-	164,816	5.70%	339,816	7.26%
	<u>\$ 2,032,417</u>	<u>\$ 1,134,150</u>	<u>3,166,567</u>		<u>3,096,442</u>	
Less: Sinking funds			(123,646)		(215,355)	
Debt of Government Enterprises			3,042,921		2,881,087	
Total Public Debt			\$ 11,075,478		\$ 11,057,906	

See page 91 for additional information.

Government of Saskatchewan Schedules to the Summary Financial Statements

Schedule 9 (continued) - Public Debt by Maturity

The overall average effective interest rate of public debt is 8.74 per cent (2000 - 8.33 per cent) and the average term to maturity is 8.9 years (2000 - 8.3 years). The average effective interest rate includes the impact of foreign exchange and the amortization of any premiums or discounts associated with the debentures.

U.S. dollar debentures have been converted to Canadian dollars at the exchange rate in effect at March 31, 2001 of 1.5774 (March 31, 2000 - 1.4535).

The debt of government service organizations includes Canada Pension Plan debentures of \$595.1 million (2000 - \$612.7 million) at a weighted average interest rate of 11.05 per cent, ranging from 5.97 per cent to 17.51 per cent. Of this amount, \$74.6 million is payable within one year. The debt of government enterprises includes Canada Pension Plan debentures of \$734.6 million (2000 - \$728.1 million) at a weighted average interest rate of 10.93 per cent, ranging from 6.57 per cent to 16.10 per cent. Of this amount, \$35.0 million is payable within one year. These debentures are redeemable in whole or in part before maturity, on six months prior notice, at the option of the Minister of Finance of Canada.

Debt includes debentures of \$822.8 million (2000 - \$1,066.5 million) redeemable annually at the option of the holder or anytime on the death of the holder. \$71.0 million of this amount is payable within one year.

Included in total public debt are the following amounts:

- debentures totalling 22.5 billion yen (2000 - 22.5 billion) fully hedged to \$259.2 million Canadian (2000 - \$259.2 million).
- debentures totalling \$750.0 million U.S. (2000 - \$750.0 million) fully hedged to \$1,037.0 million Canadian (2000 - \$1,037.0 million).
- debentures totalling 200.0 million Deutschmarks (2000 - 200.0 million) fully hedged to \$154.1 million Canadian (2000 - \$154.1 million).
- debentures totalling 200.0 million Swiss francs (2000 - 400.0 million) fully hedged to \$145.4 million Canadian (2000 - \$292.0 million).

**Government of Saskatchewan
Schedules to the Summary Financial Statements**

Schedule 10 - Guaranteed Debt

	(thousands of dollars)	
	2001	2000 (Restated)
The Industry and Commerce Development Act		
Saskferco Products Inc.	\$ 142,797	\$ 150,568
The NewGrade Energy Inc. Act		
NewGrade Energy Inc.	93,038	118,723
Crown Investments Corporation of Saskatchewan (non-consolidated)		
NewGrade Energy Inc.	71,021	90,691
The Power Corporation Act		
Luscar Ltd.	25,105	26,957
National Trust Company	12,007	13,860
The Farm Financial Stability Act		
The Breeder associations.....	15,970	15,210
The Feeder associations.....	15,560	14,824
Other	11,173	13,140
Total Guaranteed Debt	\$ 386,671	\$ 443,973

Total guaranteed debt is net of a loss provision of \$2.2 million (2000 - \$0.8 million).

In addition to the amount shown, there is a contingent liability for interest accrued on these items.

See page 93 for additional information.

Government of Saskatchewan Schedules to the Summary Financial Statements

Schedule 10 (continued) - Guaranteed Debt

Saskferco Products Inc. (Saskferco)

The Government has guaranteed certain medium-term notes issued by Saskferco to finance the construction of a nitrogen based fertilizer plant located near Belle Plaine.

This guarantee pertains to debt denominated in U.S. dollars. Thus, the amount of the guarantee is influenced by changes in the value of the U.S. dollar relative to the Canadian dollar. The amount recorded is net of \$119.1 million (2000 - \$114.0 million) for Saskferco's equity in a sinking fund.

NewGrade Energy Inc. (NewGrade)

The Government has indemnified the Government of Canada for its guarantee of NewGrade's long-term debt, to a maximum of \$275 million. At March 31, 2001, the Government's guarantee is \$71.0 million (2000 - \$90.7 million).

The Government has also guaranteed certain long-term debt of NewGrade to a maximum of \$360 million. A significant portion of this guarantee relates to U.S. denominated debt. Thus, the amount of the guarantee is influenced by changes in the value of the U.S. dollar relative to the Canadian dollar. At March 31, 2001, the Government's guarantee is \$93.0 million (2000 - \$118.7 million).

Luscar Ltd.

The Government has guaranteed a \$45 million promissory note issued by Luscar Ltd. to finance the purchase of a dragline from Saskatchewan Power Corporation. The note is due in 2003. The amount recorded is net of \$19.9 million (2000 - \$18.0 million) for Luscar Ltd's equity in a sinking fund administered by the Minister of Finance.

National Trust Company

The Government is contingently liable for payments on certain leased mining equipment, which was assumed by the purchaser of a mining operation. The lease expires in 2004.

Breeder and Feeder Associations

The Government provides guarantees to lenders who make loans to production associations. The Government guarantees repayment of 25 per cent of the outstanding loan balance at the time of a first default on any advance, plus accrued interest as of the time that payment is to be made on the guarantee. Guarantees for each production association are limited to \$4 million under both the breeder cattle and feeder cattle options.

Other

Other includes guarantees under \$10 million.

**Government of Saskatchewan
Schedules to the Summary Financial Statements**

Schedule 11 - Revenue

	(thousands of dollars)	
	2001	2000
Taxation		
Individual income.....	\$ 1,255,409	\$ 1,446,169
Sales.....	736,563	660,314
Fuel.....	345,136	369,010
Corporation capital.....	342,242	293,351
Corporation income.....	333,299	277,226
Tobacco.....	122,012	123,866
Other.....	68,595	53,848
Total Taxation	3,203,256	3,223,784
Non-renewable Resources		
Oil.....	799,049	640,097
Natural gas.....	239,305	91,784
Potash.....	199,296	169,452
Other.....	55,064	41,817
Total Non-renewable Resources	1,292,714	943,150
Other Own-source Revenue		
Fees/permits/licenses.....	484,321	507,977
Interest and dividends.....	114,223	94,527
Equity investments.....	73,493	7,954
Insurance.....	69,635	85,528
Gain on sale of investments.....	-	26,367
Other.....	182,071	186,628
Total Other Own-source Revenue	923,743	908,981
Total Own-source Revenue	5,419,713	5,075,915
Transfers from the Federal Government		
Canada Health and Social Transfer.....	552,378	556,282
Equalization.....	175,247	541,598
Crop insurance premium contributions.....	78,925	70,104
Housing subsidy.....	55,126	63,880
Other.....	167,147	321,711
Total Transfers from the Federal Government	1,028,823	1,553,575
Total Revenue	\$ 6,448,536	\$ 6,629,490

**Government of Saskatchewan
Schedules to the Summary Financial Statements**

Schedule 12 - Gains and Losses on Investments

	(thousands of dollars)	
	2001	2000
Gain (Loss) on Sale of Investments		
Saskfor MacMillan Limited Partnership.....	\$ -	\$ 30,241
Western Canadian Beef Packers Inc.	-	(3,874)
Net Gain on Sale of Investments	-	26,367
Earnings (Losses) from Equity Investments		
NewGrade Energy Inc.	51,809	1,020
Meadow Lake Pulp Limited Partnership.....	17,712	10,605
Saskferco Products Inc.	3,085	(2,191)
Saskfor MacMillan Limited Partnership.....	-	3,038
Centennial Foods Partnership.....	(61)	-
Other.....	968	(4,518)
Net Earnings from Equity Investments	73,493	7,954
Provision for Investment Losses.....	(3,543)	(2,500)
Net Gain on Investments	\$ 69,950	\$ 31,821

Schedule 13 - Net Change in Non-cash Operating Activities

	(thousands of dollars)	
	2001	2000
Decrease (increase) in prepaid expenditures.....	\$ (7,409)	\$ (473)
Decrease (increase) in accounts receivable.....	141,273	(312,577)
Decrease (increase) in inventories held for resale.....	(858)	512
Decrease (increase) in deferred charges.....	(23,467)	7,925
Increase (decrease) in accounts payable and accrued liabilities.....	(292,925)	117,417
Increase (decrease) in unearned revenue.....	19,882	22,616
Net Change in Non-cash Operating Activities	\$ (163,504)	\$ (164,580)

Government of Saskatchewan Schedules to the Summary Financial Statements

Schedule 14 - Reporting Entity

Government Service Organizations (Consolidated)

Agricultural Credit Corporation of Saskatchewan
Agricultural Implements Board
Agri-Food Equity Fund
Agri-Food Innovation Fund
Associated Entities Fund
Big Game Damage Compensation Fund ²
Board of Governors, Uranium City Hospital
Carlton Trail Regional College
Cattle Marketing Deductions Fund
CIC Industrial Interests Inc.
Commercial Revolving Fund
Correctional Facilities Industries Revolving Fund
Correspondence School Revolving Fund
Crop Reinsurance Fund of Saskatchewan
Crown Investments Corporation of Saskatchewan
(non-consolidated)
Cumberland Regional College
Cypress Hills Regional College
District Health Boards
Extended Health Care Plan
Extended Health Care Plan for Certain Other Employees
Fiscal Stabilization Fund ¹
Fish and Wildlife Development Fund
General Revenue Fund
Health Services Utilization and Research Commission
Highways Revolving Fund
Horned Cattle Fund
Information Services Corporation of Saskatchewan ⁴
Law Reform Commission of Saskatchewan
Learning Resources Distribution Centre Revolving Fund
Livestock Services Revolving Fund
Milk Control Board
North West Regional College
Northern Revenue Sharing Trust Account
Northlands College
Oil and Gas Environmental Fund
Operator Certification Board ¹
Parkland Regional College
Pastures Revolving Fund ⁵
Prairie Agricultural Machinery Institute
Prairie West Regional College
Public Employees Benefits Agency Revolving Fund
Public Employees Dental Fund
Public Employees Disability Income Fund
Public Employees Group Life Insurance Fund
Queen's Printer Revolving Fund
Resource Protection and Development Revolving Fund

Saskatchewan Agricultural Stabilization Fund
Saskatchewan Apprenticeship and Trade Certification Commission
Saskatchewan Archives Board
Saskatchewan Arts Board
Saskatchewan Cancer Foundation
Saskatchewan Centre of the Arts Fund
Saskatchewan Communications Network Corporation
Saskatchewan Crop Insurance Corporation
Saskatchewan Development Fund Corporation
Saskatchewan Grain Car Corporation
Saskatchewan Health Information Network
Saskatchewan Heritage Foundation
Saskatchewan Housing Corporation
Saskatchewan Indian Regional College ²
Saskatchewan Institute of Applied Science and Technology
Saskatchewan Legal Aid Commission
Saskatchewan Lotteries Trust Fund For Sport, Culture and Recreation
Saskatchewan Opportunities Corporation
Saskatchewan Property Management Corporation
Saskatchewan Research Council
Saskatchewan Student Aid Fund
Saskatchewan Transportation Company
Saskatchewan Water Corporation
Saskatchewan Western Development Museum
Saskatchewan Wetland Conservation Corporation
Sask911 Account
Southeast Regional College
St. Louis Alcoholism Rehabilitation Centre
Training Completions Fund ³
Transportation Partnerships Fund
Victims' Fund
Water Appeal Board

Government Enterprises (Modified Equity Method)

Municipal Financing Corporation of Saskatchewan
Saskatchewan Auto Fund
Saskatchewan Gaming Corporation
Saskatchewan Government Growth Fund Management Corporation
Saskatchewan Government Insurance
Saskatchewan Liquor and Gaming Authority
Saskatchewan Power Corporation
Saskatchewan Telecommunications Holding Corporation
SaskEnergy Incorporated
Workers' Compensation Board (Saskatchewan)

¹ Organization established during 2000-01.

² Organization wound-up during 2000-01.

³ Organization determined to be in reporting entity during 2000-01.

⁴ Name changed from Saskatchewan Land Information Services Corporation during 2000-01.

⁵ Name changed from Conservation and Development Revolving Fund during 2000-01.

SOURCES OF INFORMATION

Information included herein which is designated as being taken from a publication of the Province or Canada, or any agency or instrumentality of either, is included herein upon the authority of such publication as a public official document. The financial statements of the Government included herein under the headings "General Revenue Fund Supplementary Financial Information" and "Summary Financial Statements" have been taken from the Public Accounts of the Province (subject to certain adjustments for purposes of comparability). All financial information contained herein was obtained from the most recent annual Budget Estimates, Public Accounts, or Crown Investments Corporation of Saskatchewan Annual Report, or was prepared by representatives of the Department of Finance or of CIC in their official capacities. The information set forth under "Province of Saskatchewan", and other than described in the first sentence of this paragraph, was prepared by representatives of the Department of Finance in their official capacities.

MINERAL MAP OF SASKATCHEWAN

Kilometers 0 100
Miles 0 100

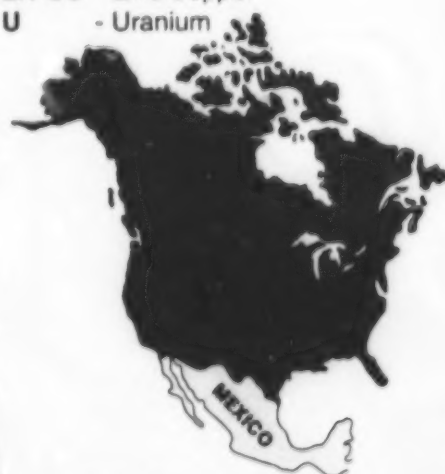
LEGEND

- ▼ Sodium Sulphate plant or deposit
- ▲ Potassium Sulphate plant
- ★ Salt plant/mine
- U Uranium mine (open pit and/or underground mine)
- Bentonite mine (open pit)
- ⬆ Base metal mine (shaft)
- ⬆ Potash mine (shaft)
- Potash mine (solution)
- Coal mine (open pit)*
- Precious Metal (Gold)
- ◆ Diamond Prospect

Regions of Mineral Development and Potential

- Potash
- Coal
- Oil and Gas
- Uranium, gold and base metals

CU - Copper
ZN-CU - Zinc/Copper
U - Uranium



*In the Estevan region there are 3 producing coal mines

